



Financial Section







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Independent Auditor's Report

Cincinnati City School District
Hamilton County
2651 Burnet Avenue
Cincinnati, Ohio 45431

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cincinnati City School District, Hamilton County, Ohio, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Cincinnati City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cincinnati City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cincinnati City School District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Schoolwide Building Program Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the Cincinnati City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education
Cincinnati City School District

Independent Auditor's Report (Continued)

The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Cincinnati City School District's basic financial statements taken as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section provide additional analysis and are not a required part of the basic financial statements. The combining statements, individual fund statements and schedules are the School District's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including and comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Caudill & Associates, CPAs

Caudill & Associates, CPA
December 22, 2011

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

The discussion and analysis of the Cincinnati City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

General revenues accounted for \$492,155,914 in revenue or 72.6% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$185,701,050 or 27.4% of total revenues of \$677,856,964.

The District had \$596,064,519 in expenses related to governmental activities; only \$185,701,050 of these expenses was offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$265,290,427, revenue in lieu of taxes totaling \$23,453,928, unrestricted state and federal revenues totaling \$197,164,514, investment earnings totaling \$1,298,188 plus prior year carry over revenues) were adequate to provide for these programs.

The assets of the District exceeded its liabilities at June 30, 2011 by \$615,927,380 (net assets). Of this amount, \$189,176,164 is considered unrestricted and may be used to meet the District's on-going obligations.

The District's total net assets increased \$81,792,445 in fiscal year 2011, which represents a 15.3% increase from the fiscal year 2010 balance. Revenues and expenses both increased 4% from prior year amounts. Revenues increases included the recognition of an additional \$47.5 million capital grant from the Ohio School Facilities Commission (OSFC) offset by \$21.2 million of reductions in property taxes and \$12.0 million in operating grants. Expense levels, while increasing, continue to remain well below revenue collections.

Among major funds, the general fund had \$461,818,269 in revenue, \$294,312,774 in expenditures and (\$138,157,699) in net other financing uses, resulting in the general fund balance increasing by \$29,347,796 to \$148,031,151.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

These statements are as follows:

The Government-Wide Financial Statements – These statements provide both long-term and short-term information about the District's overall financial status.

The Fund Financial Statements – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, and student enrollment growth and facility conditions.

The government-wide financial statements of the District fall into one category:

Governmental Activities – All of the district's programs and services are reported here including instruction, support services, non-instructional and extracurricular activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

Proprietary Fund – The District utilizes an internal service fund to report activities that provide services for the District's other programs and activities. The Proprietary fund is reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

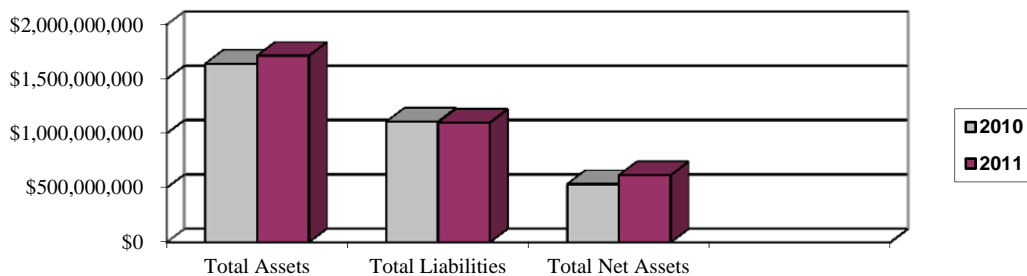
Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2011 compared to 2010:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Current and other assets	\$819,947,362	\$853,645,517	(\$33,698,155)
Capital assets, Net	894,567,072	788,425,058	106,142,014
Total assets	1,714,514,434	1,642,070,575	72,443,859
Long-term debt outstanding	794,310,009	818,308,406	(23,998,397)
Other liabilities	304,277,045	289,627,234	14,649,811
Total liabilities	1,098,587,054	1,107,935,640	(9,348,586)
Net assets			
Invested in capital assets, net of related debt	407,388,120	353,689,363	53,698,757
Restricted	19,363,096	32,392,909	(13,029,813)
Unrestricted	189,176,164	148,052,663	41,123,501
Total net assets	\$615,927,380	\$534,134,935	\$81,792,445

Cincinnati City Schools Governmental Activities



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2011 compared to 2010:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Revenues			
Program revenues:			
Charges for Services	\$21,964,268	\$18,160,734	\$3,803,534
Operating Grants	107,155,658	119,193,346	(12,037,688)
Capital Grants	56,581,124	11,920,000	44,661,124
General revenues:			
Property Taxes	265,290,427	286,554,339	(21,263,912)
Revenue in Lieu of Taxes	23,453,928	17,497,711	5,956,217
Grants and Entitlements	197,164,514	192,804,062	4,360,452
Other	6,247,045	5,282,866	964,179
Total revenues	677,856,964	651,413,058	26,443,906
Program Expenses			
Instruction:			
Regular	212,617,087	215,218,926	(2,601,839)
Special	77,918,902	77,739,067	179,835
Vocational	7,046,640	6,839,266	207,374
Other	613,450	324,254	289,196
Support Services:			
Pupils	29,702,228	29,830,994	(128,766)
Instructional Staff	49,720,996	39,819,027	9,901,969
Board of Education	343,414	339,142	4,272
Administration	35,904,173	35,453,480	450,693
Fiscal Services	7,006,980	6,833,916	173,064
Business	1,244,023	1,196,647	47,376
Operation and Maintenance of Plant	47,998,030	41,693,266	6,304,764
Pupil Transportation	27,155,167	31,574,052	(4,418,885)
Central	15,024,579	10,143,405	4,881,174
Non-Instructional Services	43,667,894	37,670,655	5,997,239
Extracurricular Activities	5,605,603	6,370,590	(764,987)
Interest and Fiscal Charges	34,495,353	31,351,857	3,143,496
Total expenses	596,064,519	572,398,544	23,665,975
Total Change in Net Assets	81,792,445	79,014,514	2,777,931
Beginning Net Assets	534,134,935	455,120,421	79,014,514
Ending Net Assets	\$615,927,380	\$534,134,935	\$81,792,445

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

The most significant reasons for the \$81.8 million increase in Net Assets from FY 2010 to FY 2011 are as follows:

The District's total net assets increased \$81,792,445 in fiscal year 2011, representing a 15.3% increase from the ending fiscal year 2010 net asset balance. In comparison, total net assets increased in fiscal year 2010 by \$79,014,514.

The majority of the increase in fiscal year 2011 net assets is attributable to a large increase in grant revenues in 2011. The District recognized an additional \$47.5 million capital grant from the Ohio School Facilities Commission (OSFC) for Segment 3b under its Master Facilities Plan.

Property taxes revenues decreased \$21.3 million or 7.4%. All grant revenues combined increased \$37 million.

Total expenses increased at a 4% pace, consistent with total revenues.

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home value at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, the assessed millage cannot be reduced below 20 mills, according to state statutes. Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service.

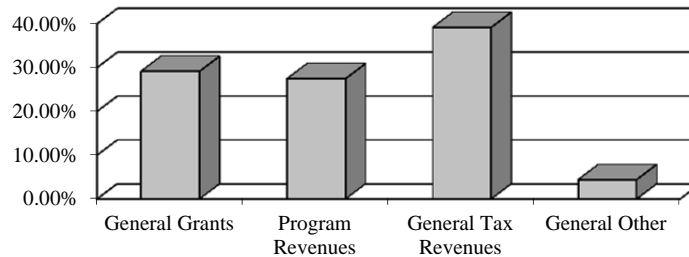
Property taxes made up 39.1% of revenues for governmental activities for the Cincinnati City School District in fiscal year 2011. The District's reliance upon tax revenues is demonstrated by the following table and graph:

Revenue Sources	2011	Percent of Total
General Grants	\$197,164,514	29.09%
Program Revenues	185,701,050	27.40%
General Tax Revenues	265,290,427	39.13%
General Other	29,700,973	4.38%
Total Revenue	<u>\$677,856,964</u>	<u>100.00%</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$413,221,192, which is less than last year's total of \$469,861,986. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2011 and 2010.

	Fund Balance June 30, 2011	Fund Balance June 30, 2010	Increase (Decrease)
General	\$148,031,151	\$118,683,355	\$29,347,796
Schoolwide Building Program	(321,073)	(1,954,719)	1,633,646
Classroom Facilities			
Capital Projects	213,986,898	226,924,548	(12,937,650)
Other Governmental	51,524,216	126,208,802	(74,684,586)
Total	<u>\$413,221,192</u>	<u>\$469,861,986</u>	<u>(\$56,640,794)</u>

The District's General Fund's fund balance increased during Fiscal year 2011 by \$29.3 million as revenues exceeded the total of expenditures and transfers in/out from/to other funds. By comparison, the fiscal year 2010 increase was \$44.6 million. Revenues for 2011 decreased by \$1.5 million largely due to decreased tax revenues. Operating expenditures decreased \$5.3 million. Net transfers out to other funds increased \$19.1 million.

The Schoolwide Building Project Fund was established during 2008 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. Funds are transferred when cash is required rather than when accruals occur.

The decrease in the Classroom Facilities Capital Projects Fund is primarily due to construction activity. The FMP program activity increased as eight new schools became operational in 2011 as well as continuing construction in progress efforts on other locations included in the FMP.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Unaudited

General Fund – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2011 Revenues	2010 Revenues	Increase (Decrease)
Taxes	\$249,982,815	\$251,534,175	(\$1,551,360)
Tuition	1,123,004	1,751,707	(628,703)
In Lieu of Taxes	7,534,813	7,037,841	496,972
Investment Earnings	486,071	839,094	(353,023)
Intergovernmental - State	196,917,974	197,447,504	(529,530)
Intergovernmental - Federal	248,271	1,186,081	(937,810)
All Other Revenue	5,525,321	3,537,808	1,987,513
Total	<u>\$461,818,269</u>	<u>\$463,334,210</u>	<u>(\$1,515,941)</u>

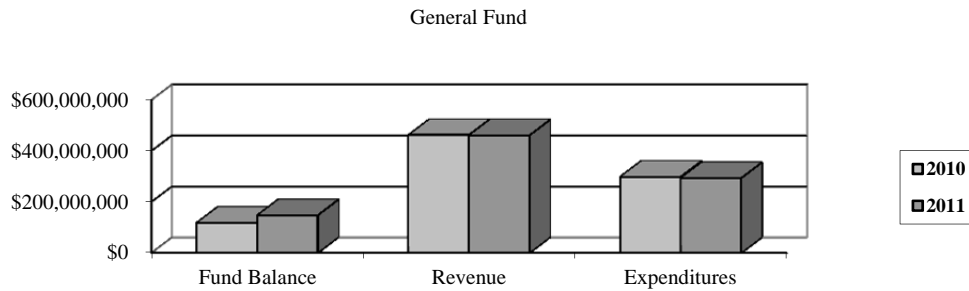
General Fund revenues in 2011 decreased from 2010 primarily due to decreases in tax revenues.

	2011 Expenditures	2010 Expenditures	Increase (Decrease)
Instruction:			
Regular	\$126,174,501	\$129,631,758	(\$3,457,257)
Special	36,953,750	32,510,098	4,443,652
Vocational	5,525,707	5,526,041	(334)
Other	17,744	0	17,744
Supporting Services:			
Pupils	21,588,714	21,753,894	(165,180)
Instructional Staff	12,656,584	14,862,437	(2,205,853)
Board of Education	346,538	341,454	5,084
Administration	20,341,123	19,032,089	1,309,034
Fiscal Services	2,134,839	2,946,496	(811,657)
Business	1,142,991	862,456	280,535
Operation and Maintenance of Plant	22,306,516	26,223,482	(3,916,966)
Pupil Transportation	26,783,214	31,031,749	(4,248,535)
Central	14,129,288	9,559,416	4,569,872
Extracurricular Activities	3,846,782	4,491,657	(644,875)
Capital Outlay	284,400	136,861	147,539
Debt Service:			
Interest & Fiscal Charges	80,083	705,595	(625,512)
Total	<u>\$294,312,774</u>	<u>\$299,615,483</u>	<u>(\$5,302,709)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited



The \$5.3 million decrease in total operating expenditures is a result of a decrease of student enrollment which required less instructional and support staff directly related to students as well as a decrease in student transportation costs. Reductions were realized in the operation and maintenance of plant as facilities come on line as part of the FMP program thereby reducing operational costs.

During the course of fiscal year 2011 the District amended its General Fund budget for revenues and expenditures several times.

The General Fund's final budgeted revenues were increased .1% or \$4.9 million compared to the original budget estimates due to increasing estimated revenues primarily for Miscellaneous revenues. Appropriations were increased by \$9.1 million primarily for regular instruction and administration costs.

Actual final budget basis revenues were 3.8% above, or \$18.1 million, final budgeted amounts primarily as a result of higher than budgeted property tax receipts collected by Hamilton County. Actual final budget basis expenditures were lower than final appropriated amounts and varied by 5% or \$26.8 million.

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2011 the District had \$894,567,072 net of accumulated depreciation invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and construction in progress. The following table shows fiscal year 2011 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$37,249,030	\$36,913,235	\$335,795
Construction in Progress	178,590,342	268,489,796	(89,899,454)
Land Improvements	9,092,640	9,092,640	0
Buildings and Improvements	782,952,105	580,826,502	202,125,603
Furniture, Fixtures and Equipment	7,438,538	5,339,800	2,098,738
Vehicles	824,267	799,007	25,260
Less: Accumulated Depreciation	(121,579,850)	(113,035,922)	(8,543,928)
Totals	<u>\$894,567,072</u>	<u>\$788,425,058</u>	<u>\$106,142,014</u>

For financial reporting purposes the District capitalizes all assets in excess of \$25,000 unless they are purchased with Federal funding, in which case the threshold is \$5,000. The \$202,125,603 net increase in Buildings and Improvements during 2011 was a result of completing construction of eight building projects as part of the District's ten year, \$985 million Facilities Master Plan and reclassified from construction in progress to other asset classifications. The \$89,899,454 net decrease in Construction in Progress is a result of those schools where construction ended during 2011 and therefore reclassified as buildings and improvements. The increase in capital asset balances, coupled with changes in debt balances, contributed to a net increase in Government Activities Investment in Capital Assets, Net of Related Debt in the amount of \$53,698,757. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 11).

Debt - At June 30, 2011, the District had \$624,312,582 in General Obligation Bonds outstanding, \$13,995,935 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2011:

	2011	2010
Governmental Activities:		
General Obligation Bonds	\$624,312,582	\$640,782,247
Capital Leases	114,960,560	122,866,118
Compensated Absences	55,036,867	54,660,041
Totals	<u>\$794,310,009</u>	<u>\$818,308,406</u>

Detailed information regarding debt is included in the notes to the basic financial statements (Notes 14-16).

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011***

Unaudited

ECONOMIC FACTORS

The economy of the District is based on a wide diversity of industry. The major sources of revenue to the District are local property taxes on real and personal property, along with State aid. Other program expenditures, such as those for the free and reduced lunch program and special needs classes and those to meet the requirements of No Child Left Behind are funded by designated State and Federal grants.

The faltering economy, reduction of federal title funding, loss of federal stimulus dollars and anticipated revenue cuts coming from the state will challenge the district budget while continuing successful programs and elementary initiatives currently in place. The District continues to be vigilant in creating efficiencies and strategic investments in all operations in order to balance the budget. The diverse economic base in industry will continue to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Diane C. Whitt, Treasurer/CFO of the Cincinnati City School District, 2651 Burnet Avenue, P.O. Box 5384, Cincinnati, Ohio 45201-5384.



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets ***June 30, 2011***

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$ 431,725,626
Investments	249,756
Receivables:	
Taxes	332,483,866
Accounts	528,017
Intergovernmental - State and Local	9,221,403
Intergovernmental - Federal	28,331,309
Interest	120,902
Inventory of Supplies at Cost	57,506
Inventory Held for Resale	450,912
Restricted Assets:	
Pooled Cash and Investments	12,604,372
Non-Depreciable Capital Assets	215,839,372
Depreciable Capital Assets, Net	678,727,700
Unamortized Bond Issuance Costs	4,173,693
Total Assets	1,714,514,434
Liabilities:	
Accounts Payable	18,399,198
Accrued Wages and Benefits	30,301,129
Intergovernmental Payable	8,582,332
Claims Payable	3,361,000
Unearned Revenue - Taxes	240,901,426
Accrued Interest Payable	2,731,960
Long Term Liabilities:	
Due Within One Year	28,866,880
Due in More Than One Year	765,443,129
Total Liabilities	1,098,587,054
Net Assets:	
Invested in Capital Assets, Net of Related Debt	407,388,120
Restricted For:	
Capital Projects	2,109,383
Debt Service	1,898,503
Permanent Fund:	
Expendable	498,731
Nonexpendable	768,034
State and Federal Grants	14,088,445
Unrestricted	189,176,164
Total Net Assets	\$ 615,927,380

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Activities For the Fiscal Year Ended June 30, 2011

		Program Revenues			Net (Expense)
					Revenue and
					Changes in
					Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Instruction - Regular	\$ 212,617,087	\$ 9,120,598	\$ 2,561,366	\$ 0	\$ (200,935,123)
Instruction - Special	77,918,902	83,212	22,321,159	0	(55,514,531)
Instruction - Vocational	7,046,640	78,457	1,314,421	0	(5,653,762)
Instruction - Other	613,450	13,265	625,653	0	25,468
Support Services:					
Pupils	29,702,228	249,677	5,205,109	0	(24,247,442)
Instructional Staff	49,720,996	5,677,980	23,659,867	0	(20,383,149)
Board of Education	343,414	0	0	0	(343,414)
Administration	35,904,173	352,532	4,979,808	0	(30,571,833)
Fiscal Services	7,006,980	37,181	5,054,835	0	(1,914,964)
Business	1,244,023	0	0	0	(1,244,023)
Operation and Maintenance of Plant	47,998,030	126,785	9,148,050	56,581,124	17,857,929
Pupil Transportation	27,155,167	178	515,650	0	(26,639,339)
Central	15,024,579	4,529	191,459	0	(14,828,591)
Operation of Non-Instructional Services	43,667,894	2,035,610	29,679,381	0	(11,952,903)
Extracurricular Activities	5,605,603	4,184,264	1,898,900	0	477,561
Interest and Fiscal Charges	34,495,353	0	0	0	(34,495,353)
Total Governmental Activities	\$ 596,064,519	\$ 21,964,268	\$ 107,155,658	\$ 56,581,124	(410,363,469)
General Revenues					
Property Taxes Levied for:					
General Purposes					250,219,075
Debt Service					15,071,352
Revenue in Lieu of Taxes					23,453,928
Grants and Entitlements not Restricted to Specific Programs					197,164,514
Investment Earnings					1,298,188
Miscellaneous					4,948,857
Total General Revenues					492,155,914
Change in Net Assets					81,792,445
Net Assets Beginning of Year					534,134,935
Net Assets End of Year					\$ 615,927,380

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Balance Sheet
Governmental Funds
June 30, 2011

	General	Schoolwide Building Program	Classroom Facilities Capital Projects
Assets:			
Equity in Pooled Cash and Investments	\$ 113,505,701	\$ 14,907,858	\$ 220,435,001
Investments	0	0	0
Receivables:			
Taxes	296,964,170	0	0
Accounts	470,969	0	567
Intergovernmental - State and Local	0	0	8,987,611
Intergovernmental - Federal	0	0	0
Interest	56,200	0	5,067
Interfund Loans Receivable	21,792,465	0	0
Advances to Other Funds	648,635	0	0
Inventory of Supplies at Cost	0	0	0
Inventory Held for Resale	0	0	0
Restricted Assets:			
Pooled Cash and Investments	12,604,372	0	0
Total Assets	\$ 446,042,512	\$ 14,907,858	\$ 229,428,246
Liabilities:			
Accounts Payable	\$ 4,211,942	\$ 200,979	\$ 6,452,399
Accrued Wages and Benefits	14,243,490	11,710,992	0
Intergovernmental Payable	4,034,252	3,316,960	0
Interfund Loans Payable	4,397,421	0	0
Advances from Other Funds	3,508,048	0	0
Deferred Revenue - Taxes	267,414,992	0	0
Deferred Revenue	31,115	0	8,988,949
Compensated Absences Payable	170,101	0	0
Total Liabilities	298,011,361	15,228,931	15,441,348
Fund Balances:			
Nonspendable	0	0	0
Restricted	0	0	213,986,898
Assigned	11,987,019	0	0
Unassigned	136,044,132	(321,073)	0
Total Fund Balances	148,031,151	(321,073)	213,986,898
Total Liabilities and Fund Balances	\$ 446,042,512	\$ 14,907,858	\$ 229,428,246

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 71,906,705	\$ 420,755,265
249,756	249,756
35,519,696	332,483,866
49,698	521,234
233,792	9,221,403
28,331,309	28,331,309
59,635	120,902
2,307	21,794,772
3,738,175	4,386,810
57,506	57,506
450,912	450,912
0	12,604,372
<u>\$ 140,599,491</u>	<u>\$ 830,978,107</u>
\$ 7,488,495	\$ 18,353,815
4,346,647	30,301,129
1,231,120	8,582,332
17,397,351	21,794,772
878,762	4,386,810
32,479,830	299,894,822
25,253,070	34,273,134
0	170,101
<u>89,075,275</u>	<u>417,756,915</u>
1,276,452	1,276,452
51,220,665	265,207,563
0	11,987,019
(972,901)	134,750,158
<u>51,524,216</u>	<u>413,221,192</u>
<u>\$ 140,599,491</u>	<u>\$ 830,978,107</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities June 30, 2011

Total Governmental Fund Balances \$ 413,221,192

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 894,567,072

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

Accounts Receivable - accrual basis	12,694	
Taxes Receivable - accrual basis	58,993,396	
Interest Receivable - accrual basis	55,839	
Grants Receivable - accrual basis	34,204,601	
Total		93,266,530

Internal service funds are used by management to charge
the costs of insurance to individual funds. The assets
and liabilities of the internal service funds are included in
governmental activities in the statement of net assets. 7,570,761

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

Amounts Due Within One Year	(28,866,880)	
Amounts Due in More Than One Year	(765,443,129)	
Compensated Absences - accrued on fund basis	170,101	
Accrued Interest on Long-Term Debt	(2,731,960)	
Bond Issuance Costs	4,173,693	
Total		(792,698,175)

Net Assets of Governmental Activities \$ 615,927,380

See accompanying notes to the basic financial statements



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Schoolwide Building Program	Classroom Facilities Capital Projects
Revenues:			
Taxes	\$ 249,982,815	\$ 0	\$ 0
Tuition	1,123,004	0	0
In Lieu of Taxes	7,534,813	0	0
Investment Earnings	486,071	0	124,757
Food Services	0	0	0
Intergovernmental - State	196,917,974	0	46,110,265
Intergovernmental - Federal	248,271	0	0
All Other Revenue	5,525,321	0	0
Total Revenue	461,818,269	0	46,235,022
Expenditures:			
Current:			
Instruction:			
Regular	126,174,501	81,014,357	0
Special	36,953,750	23,570,520	0
Vocational	5,525,707	13,777	0
Other	17,744	0	0
Supporting Services:			
Pupils	21,588,714	3,685,985	0
Instructional Staff	12,656,584	12,040,413	0
Board of Education	346,538	0	0
Administration	20,341,123	11,477,293	0
Fiscal Services	2,134,839	0	0
Business	1,142,991	0	0
Operation & Maintenance of Plant	22,306,516	3,447,853	0
Pupil Transportation	26,783,214	0	0
Central	14,129,288	0	0
Operation of Non-Instructional Services	0	137	0
Extracurricular Activities	3,846,782	29,275	0
Capital Outlay	284,400	0	101,412,239
Debt Service:			
Principal Retirement	0	0	0
Interest & Fiscal Charges	80,083	0	0
Total Expenditures	294,312,774	135,279,610	101,412,239

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 15,231,679	\$ 265,214,494
774,585	1,897,589
15,919,115	23,453,928
747,605	1,358,433
1,875,863	1,875,863
15,402,128	258,430,367
99,487,447	99,735,718
17,949,016	23,474,337
<u>167,387,438</u>	<u>675,440,729</u>
3,904,629	211,093,487
18,006,619	78,530,889
1,312,348	6,851,832
592,052	609,796
4,961,502	30,236,201
25,053,444	49,750,441
0	346,538
4,581,072	36,399,488
4,914,765	7,049,604
137,025	1,280,016
22,510,380	48,264,749
419,071	27,202,285
344,920	14,474,208
30,506,827	30,506,964
1,888,858	5,764,915
23,752,802	125,449,441
24,605,000	24,605,000
<u>36,585,586</u>	<u>36,665,669</u>
<u>204,076,900</u>	<u>735,081,523</u>

(Continued)

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2011

	General	Schoolwide Building Program	Classroom Facilities Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	167,505,495	(135,279,610)	(55,177,217)
Other Financing Sources (Uses):			
Issuance of General Obligation Bonds	0	0	0
Transfers In	0	136,913,256	42,239,567
Transfers Out	(138,157,699)	0	0
Total Other Financing Sources (Uses)	(138,157,699)	136,913,256	42,239,567
Net Change in Fund Balance	29,347,796	1,633,646	(12,937,650)
Fund Balances at Beginning of Year	118,683,355	(1,954,719)	226,924,548
Fund Balances End of Year	\$ 148,031,151	\$ (321,073)	\$ 213,986,898

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Other Governmental Funds	Total Governmental Funds
(36,689,462)	(59,640,794)
3,000,000	3,000,000
17,342,963	196,495,786
(58,338,087)	(196,495,786)
(37,995,124)	3,000,000
(74,684,586)	(56,640,794)
126,208,802	469,861,986
<u>\$ 51,524,216</u>	<u>\$ 413,221,192</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (56,640,794)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 109,661,448

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (3,519,434)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,030,361

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 21,605,000

In the statement of activities, interest is accrued on outstanding bonds and long-term notes payable, whereas in governmental funds, an interest expenditure is reported when due. 2,170,316

Some expenses reported in the statement of activities, including the long-term portion of compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (403,804)

The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 5,889,352

Change in Net Assets of Governmental Activities \$ 81,792,445

See accompanying notes to the basic financial statements



CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 254,033,603	\$ 251,755,440	\$ 284,385,985	\$ 32,630,545
Tuition	2,781,511	6,962,991	1,123,885	(5,839,106)
In Lieu of Taxes	8,050,658	7,978,460	7,683,716	(294,744)
Investment Earnings	596,270	590,923	569,093	(21,830)
Intergovernmental - State	206,320,845	204,470,569	196,916,930	(7,553,639)
Intergovernmental - Federal	260,127	257,795	248,271	(9,524)
All Other Revenues	541,558	5,459,779	4,644,207	(815,572)
Total Revenues	472,584,572	477,475,957	495,572,087	18,096,130
Expenditures:				
Current:				
Instruction:				
Regular	140,481,015	144,672,074	134,429,942	10,242,132
Special	41,745,373	41,745,373	38,673,859	3,071,514
Vocational	6,355,126	6,355,126	5,887,532	467,594
Other	19,162	19,162	17,752	1,410
Support Services:				
Pupils	25,036,867	25,036,867	23,194,720	1,842,147
Instructional Staff	14,586,220	14,586,220	13,513,005	1,073,215
Board of Education	390,674	390,674	361,930	28,744
Administration	20,501,724	25,364,344	21,580,937	3,783,407
Fiscal Services	2,437,222	2,437,222	2,257,898	179,324
Business	1,284,774	1,300,276	1,205,747	94,529
Operation and Maintenance of Plant	25,771,814	25,771,814	23,875,592	1,896,222
Pupil Transportation	36,308,783	36,308,783	33,637,279	2,671,504
Central	15,470,255	15,470,255	14,331,994	1,138,261
Extracurricular Activities	4,454,827	4,454,827	4,127,053	327,774
Capital Outlay	326,088	326,088	302,095	23,993
Total Expenditures	335,169,924	344,239,105	317,397,335	26,841,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	137,414,648	133,236,852	178,174,752	44,937,900

CINCINNATI CITY SCHOOL DISTRICT, OHIO

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(148,007,949)	(148,007,949)	(148,007,949)	0
Advances In	39,316,691	39,326,917	39,326,917	0
Advances Out	(44,998,161)	(45,008,207)	(45,008,207)	0
Refund of Prior Year's Expenditures	0	0	441,974	441,974
Total Other Financing Sources (Uses):	<u>(153,689,419)</u>	<u>(153,689,239)</u>	<u>(153,247,265)</u>	<u>441,974</u>
Net Change in Fund Balance	(16,274,771)	(20,452,387)	24,927,487	45,379,874
Fund Balance at Beginning of Year	67,587,435	67,587,435	67,587,435	0
Prior Year Encumbrances	<u>15,717,749</u>	<u>15,717,749</u>	<u>15,717,749</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 67,030,413</u>	<u>\$ 62,852,797</u>	<u>\$ 108,232,671</u>	<u>\$ 45,379,874</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Schoolwide Building Program Fund
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Current:				
Instruction:				
Regular	91,670,156	82,497,033	82,496,802	231
Special	26,684,063	24,013,880	24,013,812	68
Vocational	11,729	10,555	10,555	0
Support Services:				
Pupils	4,203,625	3,782,983	3,782,972	11
Instructional Staff	13,515,039	12,162,635	12,162,600	35
Administration	12,939,510	11,644,697	11,644,664	33
Operation and Maintenance of Plant	3,904,037	3,513,373	3,513,363	10
Operation of Non-Instructional Services	148	134	134	0
Extracurricular Activities	34,696	31,224	31,224	0
Total Expenditures	152,963,003	137,656,514	137,656,126	388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(152,963,003)	(137,656,514)	(137,656,126)	388
Other Financing Sources (Uses):				
Transfers In	147,211,135	131,904,646	136,913,256	5,008,610
Total Other Financing Sources (Uses):	147,211,135	131,904,646	136,913,256	5,008,610
Net Change in Fund Balance	(5,751,868)	(5,751,868)	(742,870)	5,008,998
Fund Balance at Beginning of Year	5,000,001	5,000,001	5,000,001	0
Prior Year Encumbrances	751,868	751,868	751,868	0
Fund Balance at End of Year	\$ 1	\$ 1	\$ 5,008,999	\$ 5,008,998

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets Proprietary Fund June 30, 2011

	Governmental Activities - Internal Service Fund
Assets:	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 10,970,361
Receivables:	
Accounts	6,783
Total Assets	<u>10,977,144</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	45,383
Claims Payable	3,361,000
Total Liabilities	<u>3,406,383</u>
Net Assets:	
Unrestricted	7,570,761
Total Net Assets	<u>\$ 7,570,761</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2011***

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Interfund Charges	\$ 53,029,449
Total Operating Revenues	<u>53,029,449</u>
Operating Expenses:	
Claims	<u>47,140,097</u>
Total Operating Expenses	<u>47,140,097</u>
Change in Net Assets	5,889,352
Net Assets Beginning of Year	<u>1,681,409</u>
Net Assets End of Year	<u><u>\$ 7,570,761</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$53,029,449
Cash Payments for Claims	(46,359,090)
Net Cash Provided by Operating Activities	<u>6,670,359</u>
Net Change in Cash and Cash Equivalents	6,670,359
Cash and Cash Equivalents at Beginning of Year	<u>4,300,002</u>
Cash and Cash Equivalents at End of Year	<u><u>\$10,970,361</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$5,889,352
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(6,783)
Increase in Accounts Payable	31,790
Increase in Claims Payable	<u>756,000</u>
Total Adjustments	<u>781,007</u>
Net Cash Provided by Operating Activities	<u><u>\$6,670,359</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust Special Trust Fund	Agency
Assets:		
Equity in Pooled Cash and Investments	\$ 1,258,168	\$ 121,489
Investments	277,432	0
Total Assets	<u>1,535,600</u>	<u>121,489</u>
Liabilities:		
Accounts Payable	368	0
Due to Students	0	121,489
Total Liabilities	<u>368</u>	<u>121,489</u>
Net Assets:		
Unrestricted	<u>1,535,232</u>	<u>0</u>
Total Net Assets	<u>\$ 1,535,232</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets Fiduciary Fund For the Fiscal Year Ended June 30, 2011

	Private Purpose Trust Special Trust Fund
Additions:	
Contributions:	
Private Donations	\$ 338,690
Total Contributions	338,690
Investment Earnings:	
Interest	29,648
Net Change in the Fair Value of Investments	(19,306)
Total Investment Earnings	10,342
Total Additions	349,032
Deductions:	
Administrative Expenses	2,631
Community Services	13,560
Total Deductions	16,191
Change in Net Assets	332,841
Net Assets at Beginning of Year	1,202,391
Net Assets End of Year	\$ 1,535,232

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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, 2011, the District employed 5,702 employees, including 3,161 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, 2011

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, 2011

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.

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, 2011

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, 2011, and which are not intended to finance fiscal 2011 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, 2011

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, 2011

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 2011.

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, 2011

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)	\$29,347,796	\$1,633,646
Increase (Decrease):		
Accrued Revenues at June 30, 2011, received during FY 2012	(30,192,908)	0
Accrued Revenues at June 30, 2010, received during FY 2011	64,388,831	0
Accrued Expenditures at June 30, 2011, paid during FY 2012	11,332,053	5,915,272
Accrued Expenditures at June 30, 2010, paid during FY 2011	(18,406,858)	(7,706,588)
Interfund Activity 2011	(5,681,290)	0
Payment on Tax Anticipation Note	(9,610,000)	0
Encumbrances Outstanding	(16,250,137)	(585,200)
Budget Basis	<u>\$24,927,487</u>	<u>(\$742,870)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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 6, "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 6, "Cash, Cash Equivalents and Investments."

The District has invested funds in the STAR Ohio during 2011. 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, 2011. See Note 6, "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, 2011

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	General Fund, Debt Service Fund
Tax Anticipation Notes	General 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, 2011

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, 2011

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 general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve and amounts set aside for debt retirement purposes. 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, 2011

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, 2011

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.

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year 2011, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54 which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The implementation of this statement did not result in a restatement of the District's financial statements.

NOTE 3 – 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	Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$0	\$0	\$0	\$508,418	\$508,418
Endowment	0	0	0	768,034	768,034
Total Nonspendable	0	0	0	1,276,452	1,276,452
Restricted:					
Targeted Assistance	0	0	0	13,372,321	13,372,321
Non-Public School Assistance	0	0	0	277,727	277,727
Food Service	0	0	0	4,171,009	4,171,009
Construction and Maintenance	0	0	213,986,898	33,399,608	247,386,506
Total Restricted	0	0	213,986,898	51,220,665	265,207,563
Assigned to Other Purposes	11,987,019	0	0	0	11,987,019
Unassigned	136,044,132	(321,073)	0	(972,901)	134,750,158
Total Fund Balances	\$148,031,151	(\$321,073)	\$213,986,898	\$51,524,216	\$413,221,192

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 4 – 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	\$126,148,497
Depreciation Expense	(16,487,049)
	<u>\$109,661,448</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$75,933
Increase in Accounts Receivable	12,694
Decrease in Interest Receivable	(60,245)
Increase in Grants Receivable	<u>3,001,979</u>
	<u>\$3,030,361</u>

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

Bond Principal Payment	\$17,950,000
General Obligation Bond Issuance	(3,000,000)
Capital Lease Payment	<u>6,655,000</u>
	<u>\$21,605,000</u>

Interest expense not reported in the funds:

Increase in accrued interest on long term debt	\$58,236
Amortization of Bond Premium	5,336,733
Amortization of Deferred Loss on Defeasance	(2,566,510)
Amortization of Bond Issuance Costs	<u>(658,143)</u>
	<u>\$2,170,316</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 5 – DEFICIT FUND EQUITIES

The fund deficits at June 30, 2011 of \$321,073 in the Schoolwide Building Program Fund, \$85,215 in the ARRA Fund and of \$604,813 in the Miscellaneous Federal Grants Fund (special revenue funds) and of \$282,873 in the Debt Service Fund 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 6 - 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, 2011

NOTE 6 - 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 \$253,223,334 and the bank balance was \$270,166,487. The Federal Deposit Insurance Corporation (FDIC) covered \$750,000 of the bank balance and \$269,416,487 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, 2011

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The District's investments at June 30, 2011 were as follows:

	Fair Value	Credit Rating as of June 30, 2011	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$666,183	AAAm ²	\$666,183	\$0
US T-Bill	6,299,606	Aaa ¹ , AAA ²	6,299,606	0
Freddie Mac	65,515,455	Aaa ¹ , AAA ²	57,522,415	7,993,040
FNMA	40,965,448	Aaa ¹ , AAA ²	35,463,423	5,502,025
FHLM	1,000,910	Aaa ¹ , AAA ²	0	1,000,910
FFCB	33,306,185	Aaa ¹ , AAA ²	12,552,675	20,753,510
FHLB	44,732,534	Aaa ¹ , AAA ²	26,489,974	18,242,560
Common Stock	527,188	N/A	0	0
Total Investments	<u>\$193,013,509</u>		<u>\$138,994,276</u>	<u>\$53,492,045</u>

¹ Moody's Investor Service

² Standard & Poor's

Interest Rate Risk – The Ohio Revised Code 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, .3% are Star Ohio, 3.3% are US T-bills, 33.9% are Freddie Mac, 21.2% are FNMA, .5% are FHLM, 17.3% are FFCB, 23.2% are FHLB and .3 % 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 it's 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, 2011

NOTE 6 - 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	\$445,709,655	\$527,188
U.S. Government Securities	(191,820,138)	191,820,138
STAR Ohio	(666,183)	666,183
Per GASB Statement No. 3	<u>\$253,223,334</u>	<u>\$193,013,509</u>

* - Includes restricted pooled cash and investments

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 7 - PROPERTY TAXES (Continued)

Tangible personal property tax revenues received in 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold districts harmless by replacing a portion of the revenue lost by the District due to the phasing out of the tax. In fiscal years 2006-2009, the District was fully reimbursed for the lost revenue. In fiscal years after 2010, the District will not be reimbursed for the lost revenue.

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, 2011, are available to finance fiscal year 2011 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, 2011 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, 2011 was \$29,549,178 in the general fund and \$3,039,866 in the debt service fund. The amount available as an advance at June 30, 2010, was \$63,952,348 in the general fund and \$6,178,512 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 8 - RECEIVABLES

Receivables at June 30, 2011 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, 2011

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2011:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$138,157,699
Schoolwide Building Program Fund	136,913,256	0
Classroom Facilities Capital Projects Fund	42,239,567	0
Other Governmental Funds	17,342,963	58,338,087
Total All Funds	<u>\$196,495,786</u>	<u>\$196,495,786</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 \$12,342,963 to the Debt Service Fund for the retirement of various debt issues, \$5,000,000 to the Classroom Facilities Maintenance Fund to provide operating funds and \$120,814,736 to cover the expenditures of the Schoolwide Building Program Fund. Other governmental funds' transfers consisted of \$42,239,567 from the Building Capital Projects Fund to the Classroom Facilities Capital Projects Fund to provide funding of project expenditures and \$16,098,520 from various other funds to cover the expenditures of the Schoolwide Building Program Fund.

NOTE 10 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds at June 30, 2011 from one individual fund to another are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$22,441,100	\$7,905,469
Other Governmental Funds	3,740,482	18,276,113
Total	<u>\$26,181,582</u>	<u>\$26,181,582</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, 2011

NOTE 11 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2011:

Historical Cost:

Class	June 30, 2010	Additions	Deletions	June 30, 2011
Capital Assets Not Being Depreciated:				
Land	\$36,913,235	\$338,795	(\$3,000)	\$37,249,030
Construction In Progress	268,489,796	93,381,982	(183,281,436)	178,590,342
Subtotal	<u>305,403,031</u>	<u>93,720,777</u>	<u>(183,284,436)</u>	<u>215,839,372</u>
Capital Assets Being Depreciated:				
Land Improvements	9,092,640	0	0	9,092,640
Buildings and Improvements	580,826,502	211,273,010	(9,147,407)	782,952,105
Furniture, Fixtures, and Equipment	5,339,800	4,410,886	(2,312,148)	7,438,538
Vehicles	799,007	25,260	0	824,267
Subtotal	<u>596,057,949</u>	<u>215,709,156</u>	<u>(11,459,555)</u>	<u>800,307,550</u>
Total Cost	<u>\$901,460,980</u>	<u>\$309,429,933</u>	<u>(\$194,743,991)</u>	<u>\$1,016,146,922</u>
Accumulated Depreciation:				
Class	June 30, 2010	Additions	Deletions	June 30, 2011
Land Improvements	(\$7,536,961)	(\$133,447)	\$0	(\$7,670,408)
Buildings and Improvements	(100,353,023)	(15,807,739)	5,693,801	(110,466,961)
Furniture, Fixtures, and Equipment	(4,484,135)	(487,020)	2,249,320	(2,721,835)
Vehicles	(661,803)	(58,843)	0	(720,646)
Total Depreciation	<u>(\$113,035,922)</u>	<u>(\$16,487,049) *</u>	<u>\$7,943,121</u>	<u>(\$121,579,850)</u>
Net Value:	<u>\$788,425,058</u>			<u>\$894,567,072</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$2,205,717
Special	79,421
Vocational	338,042
Support Services:	
Pupils	15,935
Instructional Staff	16,013
Administration	1,506
Operation and Maintenance of Plant	250,486
Central	170,064
Extracurricular Activities	13,407,665
Other Noninstructional Services	2,200
Total Depreciation Expense	<u>\$16,487,049</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 12 - 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. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$6,379,446, \$7,819,678 and \$7,449,899 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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

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. 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, 2011, 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 2010, 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, 2011, 2010, and 2009 were \$23,222,271, \$25,424,903, and \$24,308,579 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2011 were \$14,290,629 made by the District and \$14,737,211 made by the plan members.

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, 2011, three members of the Board of Education have 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, 2011

NOTE 13 - 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 is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

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 2011, 1.43 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 2011, 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, 2011, 2010, and 2009 were \$772,448, \$2,605,000, and \$3,223,000 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 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$410,532, \$809,895, and \$771,597 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, 2011

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy – Ohio law 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 2011, 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, 2011, 2010, and 2009 were \$1,786,329, \$2,633,293, and \$2,517,674 respectively; which were equal to the required contributions for each year.

NOTE 14 –NOTES PAYABLE

Note Payable activity of the District for the year ended June 30, 2011, was as follows:

Notes Payable		Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Tax Anticipation Note	5.00%	\$9,610,000	\$0	(\$9,610,000)	\$0

The tax anticipation notes were issued to provide funding for the employee severance plan and the associated compensated absences balances for the employees that agreed to retire in the prior fiscal year.

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 15- LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long-term debt of the District for the year ended June 30, 2011 is as follows:

		Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011	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%	44,660,000	0	(9,670,000)	34,990,000	10,185,000
(Original Issue Amount = \$480,000,000)						
Energy Conservation	2.97-5.0%	3,025,000	0	(3,025,000)	0	0
(Original Issue Amount = \$13,800,000)						
Computer Technology	2.97-5.0%	2,850,000	0	(2,850,000)	0	0
(Original Issue Amount = \$13,000,000)						
School Improvement Refunding	3.0-5.0%	68,765,000	0	0	68,765,000	0
(Original Issue Amount = \$69,405,000)						
School Improvement Refunding	4.0-5.25%	364,580,000	0	(2,405,000)	362,175,000	2,535,000
(Original Issue Amount = \$380,945,000)						
School Improvement Refunding	2.5-5.25%	104,900,000	0	0	104,900,000	0
(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%	0	3,000,000	0	3,000,000	0
(Original Issue Amount = \$3,000,000)						
Sub-Total General Obligation Bonds		615,495,000	3,000,000	(17,950,000)	600,545,000	12,720,000
Premium General Obligation Bond		52,912,931	0	(4,086,175)	48,826,756	2,839,070
Deferred Loss on Refunding		(27,625,684)	0	2,566,510	(25,059,174)	(1,563,135)
Total General Obligation Bonds		640,782,247	3,000,000	(19,469,665)	624,312,582	13,995,935
Capital Leases Payable	4.0-5.0%	120,365,000	0	(6,655,000)	113,710,000	6,995,000
Premium on Capital Lease		2,501,118	0	(1,250,558)	1,250,560	1,250,560
Total Capital Leases Payable		122,866,118	0	(7,905,558)	114,960,560	8,245,560
Compensated Absences		54,660,041	6,936,031	(6,559,205)	55,036,867	6,625,385
Total Governmental Long-Term Debt		\$818,308,406	\$9,936,031	(\$33,934,428)	\$794,310,009	\$28,866,880

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 15- 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, 2011 follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2012	\$12,720,000	\$30,063,871	\$42,783,871
2013	26,350,000	29,254,391	55,604,391
2014	27,635,000	28,033,606	55,668,606
2015	29,065,000	26,693,046	55,758,046
2016	24,840,000	25,383,871	50,223,871
2017-2021	144,080,000	106,520,932	250,600,932
2022-2026	152,960,000	70,569,103	223,529,103
2027-2031	154,180,000	29,178,783	183,358,783
2032	28,715,000	753,769	29,468,769
Totals	<u>\$600,545,000</u>	<u>\$346,451,372</u>	<u>\$946,996,372</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, 2011, 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, 2011

NOTE 15- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In March 2007, the District refunded \$32,525,000 of General Obligation Bonds for School Improvement Series 2001, original issue amount of \$123,945,000, through the issuance of \$120,365,000 of Certificates of Participation (COPS), recorded as a capital lease. Proceeds in the amount of \$33,432,400 from the 2007 COPS 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 \$11,835,000, at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

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 \$68,760,000, at June 30, 2011, 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 \$93,495,000, at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 16 - 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, 2011

NOTE 16 - 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, 2011:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2012	\$12,480,237
2013	6,192,362
2014	6,194,387
2015	6,189,909
2016	6,184,788
2017-2021	30,906,194
2022-2026	49,842,000
2027-2031	57,745,000
2032-2033	23,413,125
Minimum Lease Payments	199,148,002
Less: Amount representing interest at the District's incremental borrowing rate of interest	(85,438,002)
Present value of minimum lease payments	<u>\$113,710,000</u>

NOTE 17 - 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 2011 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 2011 was \$1,039,358. The premium cost paid in fiscal year 2011 was \$1,307,514. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2011, the Ohio Bureau of Workers Compensation established a reserve of \$1,936,002 for future claim payments.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 17 - 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, 2011, the IBNR's were determined to be \$3,361,000.

Changes in the fund's claims liability amount in 2011 and 2010 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>
2010	\$3,524,600	\$39,933,467	(\$40,853,067)	\$2,605,000
2011	2,605,000	47,140,097	(46,384,097)	3,361,000

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,251,497. 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, 2011 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, 2011 were fully funded.

The CPS Wellness Works Program began January 1, 2011 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, 2011

NOTE 17 - 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 18 - CONTRACTUAL COMMITMENTS

As of June 30, 2011, the District had entered into various construction contracts for renovations and improvements which it had a remaining unperformed and unpaid total commitment of approximately \$158.5 million.

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 19 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2011, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance as of June 30, 2010	(\$34,777,907)	\$0	\$1,420,826	(\$33,357,081)
Current Year Set-Aside Requirement	4,569,684	4,569,684	0	9,139,368
Current Year Offset Credits	0	(33,118,350)	0	(33,118,350)
Qualifying Disbursements	(2,464,194)	(598,299)	0	(3,062,493)
Total	<u>(\$32,672,417)</u>	<u>(\$29,146,965)</u>	<u>\$1,420,826</u>	<u>(\$60,398,556)</u>
Balance Carried Forward to FY 2012	<u>(\$32,672,417)</u>	<u>\$0</u>	<u>\$1,420,826</u>	<u>(\$31,251,591)</u>
Amount Designated for Budget Stabilization				<u>\$1,420,826</u>

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2011, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance. In the General Fund, the \$1,420,826 portion of the non-BWC (Bureau of Workers' Compensation) monies was designated for set-aside. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve.

NOTE 20 - 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, 2011.

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*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

***T**HE 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 2010 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.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

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 54 special revenue funds. For reporting purposes, the District combines the 45 smallest funds into a fund titled "Other Special Revenue Funds". These combined funds account for less than fifteen percent (15%) of the cash basis revenues and expenditures of all special revenue funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$ 37,934,969	\$ 5,876,769	\$ 27,061,613	\$ 1,033,354	\$ 71,906,705
Investments	6,103	0	0	243,653	249,756
Receivables:					
Taxes	0	35,519,696	0	0	35,519,696
Accounts	49,698	0	0	0	49,698
Intergovernmental - State and Local	233,792	0	0	0	233,792
Intergovernmental - Federal	28,331,309	0	0	0	28,331,309
Interest	0	0	59,635	0	59,635
Interfund Loans Receivable	2,307	0	0	0	2,307
Advances to Other Funds	978,435	0	2,759,740	0	3,738,175
Inventory of Supplies at Cost	57,506	0	0	0	57,506
Inventory Held for Resale	450,912	0	0	0	450,912
Total Assets	<u>\$ 68,045,031</u>	<u>\$ 41,396,465</u>	<u>\$ 29,880,988</u>	<u>\$ 1,277,007</u>	<u>\$ 140,599,491</u>
Liabilities:					
Accounts Payable	\$ 4,348,796	\$ 0	\$ 3,129,457	\$ 10,242	\$ 7,488,495
Accrued Wages and Benefits	4,213,087	0	133,560	0	4,346,647
Intergovernmental Payable	1,193,291	0	37,829	0	1,231,120
Interfund Loans Payable	8,197,843	9,199,508	0	0	17,397,351
Advances from Other Funds	878,762	0	0	0	878,762
Deferred Revenue - Taxes	0	32,479,830	0	0	32,479,830
Deferred Revenue	25,225,088	0	27,982	0	25,253,070
Total Liabilities	<u>44,056,867</u>	<u>41,679,338</u>	<u>3,328,828</u>	<u>10,242</u>	<u>89,075,275</u>
Fund Balances:					
Nonspendable	508,418	0	0	768,034	1,276,452
Restricted	24,169,774	0	26,552,160	498,731	51,220,665
Unassigned	(690,028)	(282,873)	0	0	(972,901)
Total Fund Balances	<u>23,988,164</u>	<u>(282,873)</u>	<u>26,552,160</u>	<u>1,266,765</u>	<u>51,524,216</u>
Total Liabilities and Fund Balances	<u>\$ 68,045,031</u>	<u>\$ 41,396,465</u>	<u>\$ 29,880,988</u>	<u>\$ 1,277,007</u>	<u>\$ 140,599,491</u>

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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 0	\$ 15,231,679	\$ 0	\$ 0	\$ 15,231,679
Tuition	774,585	0	0	0	774,585
In Lieu of Taxes	0	15,919,115	0	0	15,919,115
Investment Earnings	67,406	16,059	611,246	52,894	747,605
Food Services	1,875,863	0	0	0	1,875,863
Intergovernmental - State	10,588,905	4,813,223	0	0	15,402,128
Intergovernmental - Federal	98,938,612	548,835	0	0	99,487,447
All Other Revenue	12,804,832	0	5,144,184	0	17,949,016
Total Revenue	125,050,203	36,528,911	5,755,430	52,894	167,387,438
Expenditures:					
Current:					
Instruction:					
Regular	3,884,868	0	0	19,761	3,904,629
Special	18,006,619	0	0	0	18,006,619
Vocational	1,297,389	0	14,959	0	1,312,348
Other	592,052	0	0	0	592,052
Supporting Services:					
Pupils	4,961,502	0	0	0	4,961,502
Instructional Staff	25,053,444	0	0	0	25,053,444
Administration	4,488,720	92,352	0	0	4,581,072
Fiscal Services	4,483,556	367,446	63,763	0	4,914,765
Business	2,521	0	134,504	0	137,025
Operation & Maintenance of Plant	13,025,012	0	9,485,368	0	22,510,380
Pupil Transportation	419,071	0	0	0	419,071
Central	183,592	0	161,328	0	344,920
Operation of Non-Instructional Services	30,506,827	0	0	0	30,506,827
Extracurricular Activities	1,888,858	0	0	0	1,888,858
Capital Outlay	224,940	0	23,527,862	0	23,752,802
Debt Service:					
Principal Retirement	0	24,605,000	0	0	24,605,000
Interest & Fiscal Charges	0	36,529,245	56,341	0	36,585,586
Total Expenditures	109,018,971	61,594,043	33,444,125	19,761	204,076,900
Excess (Deficiency) of Revenues Over Expenditures	16,031,232	(25,065,132)	(27,688,695)	33,133	(36,689,462)
Other Financing Sources (Uses):					
Issuance of General Obligation Bonds	0	0	3,000,000	0	3,000,000
Transfers In	5,000,000	12,342,963	0	0	17,342,963
Transfers Out	(16,098,520)	0	(42,239,567)	0	(58,338,087)
Total Other Financing Sources (Uses)	(11,098,520)	12,342,963	(39,239,567)	0	(37,995,124)
Net Change in Fund Balance	4,932,712	(12,722,169)	(66,928,262)	33,133	(74,684,586)
Fund Balances at Beginning of Year	19,055,452	12,439,296	93,480,422	1,233,632	126,208,802
Fund Balances End of Year	\$ 23,988,164	\$ (282,873)	\$ 26,552,160	\$ 1,266,765	\$ 51,524,216

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2011

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$ 5,549,894	\$ 6,854,873	\$ 7,493,088	\$ 1,744,457
Investments	0	0	0	0
Receivables:				
Accounts	2,530	44,559	0	0
Intergovernmental - State and Local	0	216,852	0	0
Intergovernmental - Federal	0	0	0	0
Interfund Loans Receivable	0	0	0	0
Advances to Other Funds	1	19,442	0	0
Inventory of Supplies at Cost	57,506	0	0	0
Inventory Held for Resale	450,912	0	0	0
Total Assets	<u>\$ 6,060,843</u>	<u>\$ 7,135,726</u>	<u>\$ 7,493,088</u>	<u>\$ 1,744,457</u>
Liabilities:				
Accounts Payable	\$ 86,195	\$ 498,582	\$ 282,625	\$ 1,067,198
Accrued Wages and Benefits	657,930	263,548	282,891	311,347
Intergovernmental Payable	186,349	74,646	80,124	88,185
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
Deferred Revenue	450,942	8,068	0	0
Total Liabilities	<u>1,381,416</u>	<u>844,844</u>	<u>645,640</u>	<u>1,466,730</u>
Fund Balances:				
Nonspendable	508,418	0	0	0
Restricted	4,171,009	6,290,882	6,847,448	277,727
Unassigned	0	0	0	0
Total Fund Balances (Deficit)	<u>4,679,427</u>	<u>6,290,882</u>	<u>6,847,448</u>	<u>277,727</u>
Total Liabilities and Fund Balances	<u>\$ 6,060,843</u>	<u>\$ 7,135,726</u>	<u>\$ 7,493,088</u>	<u>\$ 1,744,457</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Title VI-B	ARRA	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 1,936,315	\$ 1,679,517	\$ 5,420,446	\$ 921,223	\$ 6,335,156	\$ 37,934,969
0	0	0	0	6,103	6,103
0	0	148	0	2,461	49,698
0	0	0	0	16,940	233,792
9,362,341	4,175,666	9,528,175	1,038,575	4,226,552	28,331,309
0	0	0	0	2,307	2,307
0	0	0	0	958,992	978,435
0	0	0	0	0	57,506
0	0	0	0	0	450,912
<u>\$ 11,298,656</u>	<u>\$ 5,855,183</u>	<u>\$ 14,948,769</u>	<u>\$ 1,959,798</u>	<u>\$ 11,548,511</u>	<u>\$ 68,045,031</u>
\$ 359,334	\$ 244,348	\$ 589,183	\$ 400,289	\$ 821,042	\$ 4,348,796
739,693	132,009	962,401	42,921	820,347	4,213,087
209,506	37,389	272,584	12,157	232,351	1,193,291
1,211,197	1,638,525	3,938,605	1,082,429	327,087	8,197,843
0	0	0	0	878,762	878,762
<u>8,747,652</u>	<u>3,888,127</u>	<u>7,554,286</u>	<u>1,026,815</u>	<u>3,549,198</u>	<u>25,225,088</u>
<u>11,267,382</u>	<u>5,940,398</u>	<u>13,317,059</u>	<u>2,564,611</u>	<u>6,628,787</u>	<u>44,056,867</u>
0	0	0	0	0	508,418
31,274	0	1,631,710	0	4,919,724	24,169,774
0	(85,215)	0	(604,813)	0	(690,028)
<u>31,274</u>	<u>(85,215)</u>	<u>1,631,710</u>	<u>(604,813)</u>	<u>4,919,724</u>	<u>23,988,164</u>
<u>\$ 11,298,656</u>	<u>\$ 5,855,183</u>	<u>\$ 14,948,769</u>	<u>\$ 1,959,798</u>	<u>\$ 11,548,511</u>	<u>\$ 68,045,031</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, 2011

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
Revenues:				
Tuition	\$ 0	\$ 774,585	\$ 0	\$ 0
Investment Earnings	42,828	2,142	0	3,778
Food Services	1,875,863	0	0	0
Intergovernmental - State	870,867	49,627	0	9,074,436
Intergovernmental - Federal	15,307,671	0	0	0
All Other Revenue	4,975	8,324,664	0	2,435
Total Revenue	18,102,204	9,151,018	0	9,080,649
Expenditures:				
Current:				
Instruction:				
Regular	0	1,437,439	0	0
Special	0	53,894	0	0
Vocational	0	50,814	0	0
Other	0	8,591	0	0
Supporting Services:				
Pupils	0	161,708	0	0
Instructional Staff	0	3,677,446	0	0
Administration	0	228,324	0	0
Fiscal Services	0	24,081	0	1,486
Business	763	0	0	1,758
Operation & Maintenance of Plant	0	33,802	4,829,722	0
Pupil Transportation	0	115	0	0
Central	512	2,933	0	0
Operation of Non-Instructional Services	17,270,092	100,241	0	9,719,832
Extracurricular Activities	0	102,960	0	0
Capital Outlay	0	48,312	176,628	0
Total Expenditures	17,271,367	5,930,660	5,006,350	9,723,076
Excess (Deficiency) of Revenues				
Over Expenditures	830,837	3,220,358	(5,006,350)	(642,427)
Other Financing Sources (Uses):				
Transfers In	0	0	5,000,000	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	5,000,000	0
Net Change in Fund Balance	830,837	3,220,358	(6,350)	(642,427)
Fund Balances (Deficit) at Beginning of Year	3,848,590	3,070,524	6,853,798	920,154
Fund Balances (Deficit) End of Year	\$ 4,679,427	\$ 6,290,882	\$ 6,847,448	\$ 277,727

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	\$ 774,585
0	0	0	0	18,658	67,406
0	0	0	0	0	1,875,863
0	0	0	0	593,975	10,588,905
17,079,253	19,261,178	30,242,545	3,017,545	14,030,420	98,938,612
447,464	0	0	0	4,025,294	12,804,832
17,526,717	19,261,178	30,242,545	3,017,545	18,668,347	125,050,203
1,167	76,724	0	179,380	2,190,158	3,884,868
4,860,084	0	12,298,079	752,015	42,547	18,006,619
0	0	0	43,529	1,203,046	1,297,389
123,335	0	0	0	460,126	592,052
2,415,281	82,541	254,111	287,821	1,760,040	4,961,502
3,556,695	7,654,824	2,815,429	1,594,275	5,754,775	25,053,444
1,168,197	29,825	1,901,266	390,408	770,700	4,488,720
199,459	3,734,136	374,270	38,386	111,738	4,483,556
0	0	0	0	0	2,521
0	8,059,440	4,951	7,548	89,549	13,025,012
0	0	342,529	76,427	0	419,071
0	0	0	344	179,803	183,592
1,649,101	7,827	1,734,614	592	24,528	30,506,827
0	0	0	0	1,785,898	1,888,858
0	0	0	0	0	224,940
13,973,319	19,645,317	19,725,249	3,370,725	14,372,908	109,018,971
3,553,398	(384,139)	10,517,296	(353,180)	4,295,439	16,031,232
0	0	0	0	0	5,000,000
(2,902,769)	0	(10,321,489)	0	(2,874,262)	(16,098,520)
(2,902,769)	0	(10,321,489)	0	(2,874,262)	(11,098,520)
650,629	(384,139)	195,807	(353,180)	1,421,177	4,932,712
(619,355)	298,924	1,435,903	(251,633)	3,498,547	19,055,452
\$ 31,274	\$ (85,215)	\$ 1,631,710	\$ (604,813)	\$ 4,919,724	\$ 23,988,164

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011***

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 16,703,745	\$ 10,356,691	\$ 1,177	\$ 27,061,613
Receivables:				
Interest	0	59,635	0	59,635
Advances to Other Funds	0	2,759,740	0	2,759,740
Total Assets	<u>\$ 16,703,745</u>	<u>\$ 13,176,066</u>	<u>\$ 1,177</u>	<u>\$ 29,880,988</u>
Liabilities:				
Accounts Payable	\$ 793,762	\$ 2,335,695	\$ 0	\$ 3,129,457
Accrued Wages and Benefits	0	133,560	0	133,560
Intergovernmental Payable	0	37,829	0	37,829
Deferred Revenue	0	27,982	0	27,982
Total Liabilities	<u>793,762</u>	<u>2,535,066</u>	<u>0</u>	<u>3,328,828</u>
Fund Balances:				
Restricted	15,909,983	10,641,000	1,177	26,552,160
Total Fund Balances	<u>15,909,983</u>	<u>10,641,000</u>	<u>1,177</u>	<u>26,552,160</u>
Total Liabilities and Fund Balances	<u>\$ 16,703,745</u>	<u>\$ 13,176,066</u>	<u>\$ 1,177</u>	<u>\$ 29,880,988</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, 2011

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
Revenues:				
Investment Earnings	\$ 0	\$ 611,246	\$ 0	\$ 611,246
All Other Revenue	0	5,144,184	0	5,144,184
Total Revenue	<u>0</u>	<u>5,755,430</u>	<u>0</u>	<u>5,755,430</u>
Expenditures:				
Current:				
Instruction:				
Vocational	0	14,959	0	14,959
Supporting Services:				
Fiscal Services	0	63,763	0	63,763
Business	0	134,504	0	134,504
Operation & Maintenance of Plant	8,590,677	894,691	0	9,485,368
Central	0	161,328	0	161,328
Capital Outlay	0	23,527,862	0	23,527,862
Debt Service:				
Interest & Fiscal Charges	56,341	0	0	56,341
Total Expenditures	<u>8,647,018</u>	<u>24,797,107</u>	<u>0</u>	<u>33,444,125</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,647,018)	(19,041,677)	0	(27,688,695)
Other Financing Sources (Uses):				
Issuance of General Obligation Bonds	3,000,000	0	0	3,000,000
Transfers Out	0	(42,239,567)	0	(42,239,567)
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>(42,239,567)</u>	<u>0</u>	<u>(39,239,567)</u>
Net Change in Fund Balance	(5,647,018)	(61,281,244)	0	(66,928,262)
Fund Balances at Beginning of Year	<u>21,557,001</u>	<u>71,922,244</u>	<u>1,177</u>	<u>93,480,422</u>
Fund Balances End of Year	<u>\$ 15,909,983</u>	<u>\$ 10,641,000</u>	<u>\$ 1,177</u>	<u>\$ 26,552,160</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, 2011***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	<u>\$ 511,901,263</u>	<u>\$ 516,802,874</u>	<u>\$ 535,340,978</u>	<u>\$ 18,538,104</u>
Total Expenditures and Other Financing Uses	<u>528,176,034</u>	<u>537,255,261</u>	<u>510,413,491</u>	<u>26,841,770</u>
Net Change in Fund Balance	(16,274,771)	(20,452,387)	24,927,487	45,379,874
Fund Balances, Beginning of Year	67,587,435	67,587,435	67,587,435	0
Prior Year Encumbrances	<u>15,717,749</u>	<u>15,717,749</u>	<u>15,717,749</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 67,030,413</u>	<u>\$ 62,852,797</u>	<u>\$ 108,232,671</u>	<u>\$ 45,379,874</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, 2011***

	SCHOOLWIDE BUILDING PROGRAM FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 147,211,135</u>	<u>\$ 131,904,646</u>	<u>\$ 136,913,256</u>	<u>\$ 5,008,610</u>
Total Expenditures and Other Financing Uses	<u>152,963,003</u>	<u>137,656,514</u>	<u>137,656,126</u>	<u>388</u>
Net Change in Fund Balance	(5,751,868)	(5,751,868)	(742,870)	5,008,998
Fund Balances, Beginning of Year	5,000,001	5,000,001	5,000,001	0
Prior Year Encumbrances	<u>751,868</u>	<u>751,868</u>	<u>751,868</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 5,008,999</u>	<u>\$ 5,008,998</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, 2011***

	CLASSROOM FACILITIES FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 71,531,157</u>	<u>\$ 88,531,851</u>	<u>\$ 17,000,694</u>
Total Expenditures			
and Other Financing Uses	<u>303,023,406</u>	<u>221,607,584</u>	<u>81,415,822</u>
Net Change in Fund Balance	(231,492,249)	(133,075,733)	98,416,516
Fund Balances, Beginning of Year	165,340,193	165,340,193	0
Prior Year Encumbrances	<u>66,152,056</u>	<u>66,152,056</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 98,416,516</u>	<u>\$ 98,416,516</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, 2011***

	FOOD SERVICE FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 15,740,579</u>	<u>\$ 16,863,604</u>	<u>\$ 1,123,025</u>
Total Expenditures			
and Other Financing Uses	<u>20,157,893</u>	<u>17,743,886</u>	<u>2,414,007</u>
Net Change in Fund Balance	(4,417,314)	(880,282)	3,537,032
Fund Balances, Beginning of Year	(598,051)	(598,051)	0
Prior Year Encumbrances	<u>5,016,790</u>	<u>5,016,790</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 1,425</u>	<u>\$ 3,538,457</u>	<u>\$ 3,537,032</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, 2011***

	OTHER GRANTS FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 8,598,485</u>	<u>\$ 9,402,429</u>	<u>\$ 803,944</u>
Total Expenditures			
and Other Financing Uses	<u>12,004,079</u>	<u>7,951,420</u>	<u>4,052,659</u>
Net Change in Fund Balance	(3,405,594)	1,451,009	4,856,603
Fund Balances, Beginning of Year	2,039,528	2,039,528	0
Prior Year Encumbrances	<u>1,481,139</u>	<u>1,481,139</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 115,073</u>	<u>\$ 4,971,676</u>	<u>\$ 4,856,603</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, 2011***

	CLASSROOM FACILITIES MAINTENANCE FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>12,134,998</u>	<u>5,922,452</u>	<u>6,212,546</u>
Net Change in Fund Balance	(7,134,998)	(922,452)	6,212,546
Fund Balances, Beginning of Year	6,578,037	6,578,037	0
Prior Year Encumbrances	<u>556,961</u>	<u>556,961</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 6,212,546</u>	<u>\$ 6,212,546</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, 2011***

	AUXILIARY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 10,023,490</u>	<u>\$ 10,066,495</u>	<u>\$ 43,005</u>
Total Expenditures			
and Other Financing Uses	<u>11,639,162</u>	<u>11,599,675</u>	<u>39,487</u>
Net Change in Fund Balance	(1,615,672)	(1,533,180)	82,492
Fund Balances, Beginning of Year	806,663	806,663	0
Prior Year Encumbrances	<u>809,010</u>	<u>809,010</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ 82,493</u>	<u>\$ 82,492</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, 2011***

	TITLE VI-B FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 24,541,822</u>	<u>\$ 23,049,216</u>	<u>\$ (1,492,606)</u>
Total Expenditures			
and Other Financing Uses	<u>23,111,787</u>	<u>23,049,177</u>	<u>62,610</u>
Net Change in Fund Balance	1,430,035	39	(1,429,996)
Fund Balances, Beginning of Year	(634,582)	(634,582)	0
Prior Year Encumbrances	<u>634,582</u>	<u>634,582</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 1,430,035</u>	<u>\$ 39</u>	<u>\$ (1,429,996)</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, 2011***

	ARRA FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 22,767,690</u>	<u>\$ 22,767,690</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>23,053,779</u>	<u>23,053,779</u>	<u>0</u>
Net Change in Fund Balance	(286,089)	(286,089)	0
Fund Balances, Beginning of Year	(406,014)	(406,014)	0
Prior Year Encumbrances	<u>692,103</u>	<u>692,103</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, 2011***

	CHAPTER I FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 43,406,325</u>	<u>\$ 43,396,325</u>	<u>\$ (10,000)</u>
Total Expenditures			
and Other Financing Uses	<u>43,406,325</u>	<u>43,406,325</u>	<u>0</u>
Net Change in Fund Balance	0	(10,000)	(10,000)
Fund Balances, Beginning of Year	(3,383,289)	(3,383,289)	0
Prior Year Encumbrances	<u>3,383,289</u>	<u>3,383,289</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</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, 2011***

	MISCELLANEOUS FEDERAL GRANTS FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	\$ 5,569,875	\$ 4,703,273	\$ (866,602)
Total Expenditures			
and Other Financing Uses	4,631,467	4,631,467	0
Net Change in Fund Balance	938,408	71,806	(866,602)
Fund Balances, Beginning of Year	(1,005,208)	(1,005,208)	0
Prior Year Encumbrances	1,143,042	1,143,042	0
Fund Balances, End of Year	<u>\$ 1,076,242</u>	<u>\$ 209,640</u>	<u>\$ (866,602)</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, 2011***

	OTHER SPECIAL REVENUE FUNDS		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 19,947,722</u>	<u>\$ 20,226,939</u>	<u>\$ 279,217</u>
Total Expenditures and Other Financing Uses	<u>23,939,926</u>	<u>21,683,934</u>	<u>2,255,992</u>
Net Change in Fund Balance	(3,992,204)	(1,456,995)	2,535,209
Fund Balances, Beginning of Year	3,101,858	3,101,858	0
Prior Year Encumbrances	<u>1,471,527</u>	<u>1,471,527</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 581,181</u>	<u>\$ 3,116,390</u>	<u>\$ 2,535,209</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2011***

	DEBT SERVICE FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 69,602,371</u>	<u>\$ 66,243,918</u>	<u>\$ (3,358,453)</u>
Total Expenditures			
and Other Financing Uses	<u>75,863,155</u>	<u>75,863,155</u>	<u>0</u>
Net Change in Fund Balance	(6,260,784)	(9,619,237)	(3,358,453)
Fund Balances, Beginning of Year	6,226,910	6,226,910	0
Prior Year Encumbrances	<u>33,874</u>	<u>33,874</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ (3,358,453)</u></u>	<u><u>\$ (3,358,453)</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	PERMANENT IMPROVEMENT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	\$ 0	\$ 3,000,000	\$ 3,000,000
Total Expenditures			
and Other Financing Uses	21,556,999	16,347,247	5,209,752
Net Change in Fund Balance	(21,556,999)	(13,347,247)	8,209,752
Fund Balances, Beginning of Year	21,229,776	21,229,776	0
Prior Year Encumbrances	327,225	327,225	0
Fund Balances, End of Year	\$ 2	\$ 8,209,754	\$ 8,209,752

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	BUILDING FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 37,748,780</u>	<u>\$ 5,997,126</u>	<u>\$ (31,751,654)</u>
Total Expenditures			
and Other Financing Uses	<u>107,729,359</u>	<u>107,729,359</u>	<u>0</u>
Net Change in Fund Balance	(69,980,579)	(101,732,233)	(31,751,654)
Fund Balances, Beginning of Year	59,687,726	59,687,726	0
Prior Year Encumbrances	<u>10,292,853</u>	<u>10,292,853</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ (31,751,654)</u>	<u>\$ (31,751,654)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	REPLACEMENT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures			
and Other Financing Uses	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balances, Beginning of Year	1,177	1,177	0
Fund Balances, End of Year	\$ 1,177	\$ 1,177	\$ 0

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2011***

	PERMANENT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues			
and Other Financing Sources	<u>\$ 17,441</u>	<u>\$ 17,898</u>	<u>\$ 457</u>
Total Expenditures			
and Other Financing Uses	<u>315,598</u>	<u>35,352</u>	<u>280,246</u>
Net Change in Fund Balance	(298,157)	(17,454)	280,703
Fund Balances, Beginning of Year	1,055,427	1,055,427	0
Prior Year Encumbrances	<u>10,764</u>	<u>10,764</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 768,034</u>	<u>\$ 1,048,737</u>	<u>\$ 280,703</u>



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Fiduciary Funds

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

Agency Fund

Student Managed Activity Fund

Used to account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Schedule of Changes in Assets and Liabilities

Agency Fund

For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in Pooled Cash and Investments	\$79,181	\$213,231	(\$170,923)	\$121,489
Total Assets	\$79,181	\$213,231	(\$170,923)	\$121,489
Liabilities:				
Due to Students	\$79,181	\$213,231	(\$170,923)	\$121,489
Total Liabilities	\$79,181	\$213,231	(\$170,923)	\$121,489

