



# Financial Section





# Caudill & Associates, CPA's

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Cincinnati City School District  
Hamilton County  
2651 Burnet Avenue  
Cincinnati, Ohio 45431

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, Cincinnati, Ohio, (the "School District"), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on 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 *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, Cincinnati, Ohio, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and the Schoolwide Building Program Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2 to the basic financial statements, certain errors resulting in the balances reported at June 30, 2008 in the Bond Retirement Fund and the Governmental Type Activities were restated from balances previously reported due to an error in the recording of a general obligation note payable. Additionally the balances reported as June 30, 2008 in the Governmental Type Activities were restated from balances previously reported due to an error in the recording of intergovernmental receivables.

Cincinnati City School District  
Hamilton County  
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2010, on the School District's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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.

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.

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

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's

January 29, 2010



# ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2009***

***Unaudited***

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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, 2009. 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 2009 are as follows:**

General revenues accounted for \$477,396,338 in revenue or 76.8% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$144,131,384 or 23.2% of total revenues of \$621,527,772.

The District had \$572,356,769 in expenses related to governmental activities; only \$144,131,384 of these expenses was offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$289,383,877, revenue in lieu of taxes totaling \$10,919,337, unrestricted state and federal revenues totaling \$165,610,526, investment earnings totaling \$10,097,650 plus prior year carry over revenues) were adequate to provide for these programs.

The assets of the District exceeded its liabilities at June 30, 2009 by \$455,120,421 (net assets). Of this amount, \$90,286,275 is considered unrestricted and may be used to meet the District's on-going obligations.

The District's total net assets increased \$49,170,953 in fiscal year 2009, which represents a 12.1% increase from the fiscal year 2008 balance. The increase in fiscal year 2009 is attributable to an overall increase of 7.2% in revenues offset by a 2.1% increase in program expenses. Increased revenues were recognized for charges for services, property taxes and grants and entitlements. Increased depreciation expense on the District's capital assets and increased expenses related to pupil transportation are the primary causes for the overall increases in program expenses during fiscal year 2009.

Among major funds, the general fund had \$430,224,221 in revenue, \$285,674,042 in expenditures and (\$112,171,748) in net other financing uses, resulting in the general fund balance increasing by \$32,378,431 to \$74,092,307.

### **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

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2009***

***Unaudited***

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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, 2009

*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.

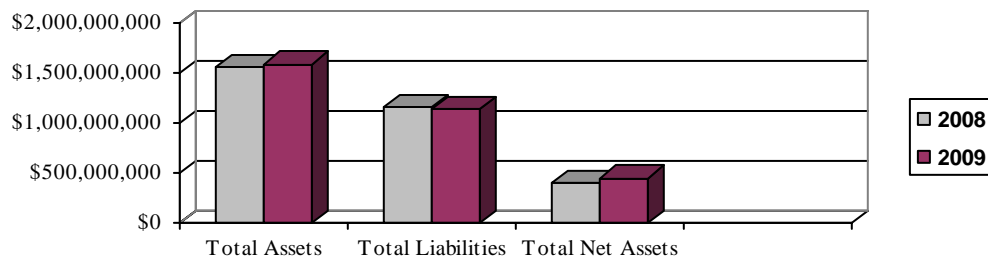
**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. 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 2009 compared to 2008:

	Governmental Activities	Increase (Decrease)
	2009	Restated 2008
Current and other assets	\$904,518,731	\$975,725,711
Capital assets, Net	681,736,839	581,481,677
Total assets	1,586,255,570	1,557,207,388
Long-term debt outstanding	807,380,401	828,296,502
Other liabilities	323,754,748	322,961,418
Total liabilities	1,131,135,149	1,151,257,920
Net assets		
Invested in capital assets, net of related debt	326,129,887	273,865,981
Restricted	38,704,259	96,576,946
Unrestricted	90,286,275	35,506,541
Total net assets	\$455,120,421	\$405,949,468

**Cincinnati City Schools Governmental Activities**



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2009**

**Unaudited**

**Changes in Net Assets** – The following table shows the net assets for the fiscal year 2009 compared to 2008:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Revenues			
Program revenues:			
Charges for Services	\$17,931,672	\$14,586,414	\$3,345,258
Operating Grants	126,199,712	127,168,655	(968,943)
Capital Grants	0	719,912	(719,912)
General revenues:			
Property Taxes	289,383,877	233,410,409	55,973,468
Revenue in Lieu of Taxes	10,919,337	10,948,197	(28,860)
Grants and Entitlements	165,610,526	150,048,088	15,562,438
Other	11,482,598	42,916,205	(31,433,607)
Total revenues	621,527,722	579,797,880	41,729,842
Program Expenses			
Instruction:			
Regular	218,216,256	175,998,596	42,217,660
Special	72,987,430	72,421,383	566,047
Vocational	5,796,782	7,216,845	(1,420,063)
Other	677,824	40,553,924	(39,876,100)
Support Services:			
Pupils	25,454,794	23,484,223	1,970,571
Instructional Staff	44,172,580	44,812,063	(639,483)
Board of Education	443,575	403,963	39,612
Administration	33,399,805	33,167,537	232,268
Fiscal Services	2,982,641	2,905,859	76,782
Business	1,382,889	1,217,184	165,705
Operation and Maintenance of Plant	41,344,253	40,791,667	552,586
Pupil Transportation	29,877,750	23,321,223	6,556,527
Central	19,309,398	19,888,633	(579,235)
Non-Instructional Services	34,574,667	32,584,206	1,990,461
Extracurricular Activities	6,727,253	5,066,751	1,660,502
Interest and Fiscal Charges	35,008,872	36,789,707	(1,780,835)
Total expenses	572,356,769	560,623,764	11,733,005
Total Change in Net Assets	49,170,953	19,174,116	29,996,837
Beginning Net Assets	405,949,468	423,164,824	(17,215,356)
Restatement - See Note 2	0	(36,389,472)	36,389,472
Ending Net Assets	\$455,120,421	\$405,949,468	\$49,170,953



## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2009***

***Unaudited***

The most significant reasons for the \$49.17 million increase in Net Assets from FY 2008 to FY 2009 are as follows:

The District's total net assets increased \$49,170,953 in fiscal year 2009, representing a 12.1% increase from the ending fiscal year 2008 net asset balance. In comparison, total net assets decreased in fiscal year 2008 by \$17,215,356 (including the prior period adjustment of \$36,389,472).

The majority of the increase in fiscal year 2009 net assets is attributable to an overall 7.2% increase in revenues offset by a 2.1% increase in program expenses.

Property taxes revenues increased \$55.97 million. Voter-approved tax levies increased the amounts of property tax revenues collected compared to amounts for fiscal year 2008. In addition, increases in charges for services recognized as program revenues and grants and entitlements recognized as general revenues also contributed to an overall increase in revenues.

Total expenses increased largely due to increased instructional expenses, increased depreciation expense on the District's capital assets and increased expenses related to pupil transportation.

### ***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.

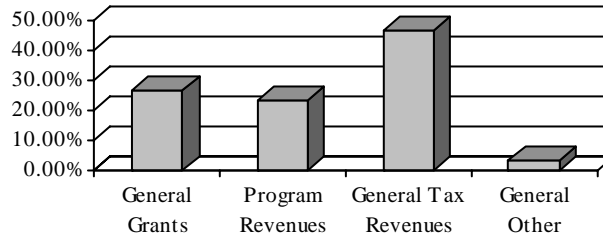
Property taxes made up 46.6% of revenues for governmental activities for the Cincinnati City School District in fiscal year 2009. The District's reliance upon tax revenues is demonstrated by the following table and graph:

<u>Revenue Sources</u>	<u>2009</u>	<u>Percent of Total</u>
General Grants	\$165,610,526	26.65%
Program Revenues	144,131,384	23.19%
General Tax Revenues	289,383,877	46.56%
General Other	22,401,935	3.60%
Total Revenue	<u>\$621,527,722</u>	<u>100.00%</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2009

Unaudited



### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$465,258,023, which is less than last year's total of \$518,495,663. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2009 and 2008.

	Fund Balance June 30, 2009	Restated Fund Balance June 30, 2008	Increase (Decrease)
General	\$74,092,307	\$41,713,876	\$32,378,431
Schoolwide Building Program	(9,015,698)	(9,259,870)	244,172
Building Capital Projects	336,370,961	359,146,867	(22,775,906)
Classroom Facilities			
Capital Projects	43,317,099	94,474,011	(51,156,912)
Other Governmental	20,493,354	32,420,779	(11,927,425)
Total	<u>\$465,258,023</u>	<u>\$518,495,663</u>	<u>(\$53,237,640)</u>

The increase in the District's General Fund is largely due to recognizing increased property taxes as voter-approved tax levies increased revenues for 2009. Increases in grants and entitlements also contributed to an overall increase in revenues.

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 when accrual occur.

The decreases in the Building Capital Projects Fund balance and in the Classroom Facilities Capital Projects Fund are due to the continued payments made to vendors during fiscal year 2009. The FMP program activity increased as seven new schools became operational in 2009.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2009**

**Unaudited**

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

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$255,036,981	\$212,873,538	\$42,163,443
Tuition	990,392	1,561,674	(571,282)
In Lieu of Taxes	5,919,337	5,949,847	(30,510)
Investment Earnings	1,753,549	4,019,795	(2,266,246)
Intergovernmental - State	162,253,326	153,637,758	8,615,568
Intergovernmental - Federal	3,682,450	1,932,309	1,750,141
All Other Revenue	588,186	601,165	(12,979)
Total	<u>\$430,224,221</u>	<u>\$380,576,086</u>	<u>\$49,648,135</u>

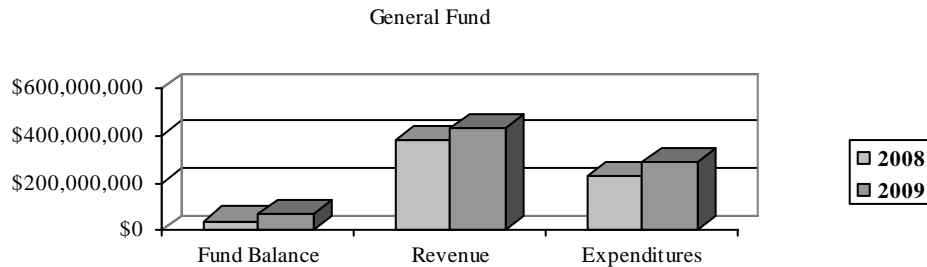
General Fund revenues in 2009 increased from 2008 primarily due to increased property taxes revenues as a result of voter-approved tax levies passed 2008 as well as from increases in state and Federal grants and entitlements. These increases in revenues were offset by lower investment earnings.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Instruction:			
Regular	\$120,814,367	\$74,697,670	\$46,116,697
Special	32,110,608	31,093,339	1,017,269
Vocational	4,721,725	5,574,640	(852,915)
Other	47,889	441,675	(393,786)
Supporting Services:			
Pupils	14,934,657	12,163,533	2,771,124
Instructional Staff	12,008,084	11,572,925	435,159
Board of Education	432,078	398,416	33,662
Administration	17,607,839	15,852,466	1,755,373
Fiscal Services	2,120,487	2,023,194	97,293
Business	908,127	876,504	31,623
Operation and Maintenance of Plant	30,465,673	32,804,812	(2,339,139)
Pupil Transportation	28,922,427	21,959,056	6,963,371
Central	14,375,604	14,658,469	(282,865)
Extracurricular Activities	3,808,798	3,336,054	472,744
Capital Outlay	1,268,751	592,227	676,524
Debt Service:			
Interest & Fiscal Charges	1,126,928	1,441,708	(314,780)
Total	<u>\$285,674,042</u>	<u>\$229,486,688</u>	<u>\$56,187,354</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2009

Unaudited



The \$56.2 million increase in total expenditures is a result of an increase of student enrollment which required more instructional and support staff directly related to students as well as an increase in student transportation costs.

During the course of fiscal year 2009 the District amended its General Fund budget for revenues and expenditures several times.

The General Fund's final budgeted revenues were decreased 1.1% or \$5.1 million compared to the original budget estimates due to reducing estimated revenues primarily for property taxes and state and Federal grant revenues. Appropriations were increased by 2.6% or \$8.8 million primarily for increased estimated costs to support instructional and support staff as a result of increased student enrollment. The District also made revisions to appropriated amounts as a result of its continued conservative spending levels determined by the Fiscal Accountability Plan.

Actual final budget basis revenues were 8.2% below, or \$36.8 million, final budgeted amounts primarily as a result of lower property tax receipts collected by Hamilton County. Actual final budget basis expenditures were lower than final appropriated amounts and varied by 14% or \$48.2 million.

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## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2009

Unaudited

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - At the end of fiscal 2009 the District had \$681,736,839 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 2009 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$36,166,393	\$35,594,698	\$571,695
Construction in Progress	181,889,927	178,386,451	3,503,476
Land Improvements	9,185,640	9,367,759	(182,119)
Buildings and Improvements	550,617,663	461,124,402	89,493,261
Furniture, Fixtures and Equipment	5,042,196	5,030,308	11,888
Vehicles	629,654	629,654	0
Less: Accumulated Depreciation	(101,794,634)	(108,651,595)	6,856,961
Totals	\$681,736,839	\$581,481,677	\$100,255,162

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 \$89,493,261, net increase in Buildings and Improvements during 2009 was a result of completing construction of seven 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 as well as for those schools where construction continued during 2009 and remained classified as construction in progress. 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 \$52,263,906. The net decrease in the balance of the Restricted for Capital Projects in the amount of \$41,556,835 was the result of the continuing activity within the District's capital facility plans. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 10).

**Debt** - At June 30, 2009, the District had \$628,860,293 in General Obligation Bonds outstanding, \$24,677,876 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2009:

	2009	2008
Governmental Activities:		
General Obligation Bonds	\$628,860,293	\$651,203,169
Capital Leases	124,116,676	125,367,234
Compensated Absences	54,403,432	51,726,099
Totals	\$807,380,401	\$828,296,502

Detailed information regarding debt is included in the notes to the basic financial statements (Notes 13-15).

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2009***

***Unaudited***

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### **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, an increase in student enrollment and anticipated deep cuts coming from the state will challenge the district budget while continuing successful programs currently in place as well as implementing new elementary initiatives. The District continues to be vigilant in creating efficiencies in all operations in order to balance the budget. The diverse economic base 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 Jonathan Boyd, 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, 2009

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in Pooled Cash and Investments	\$ 491,223,040
Investments	192,641
Receivables:	
Taxes	340,220,312
Accounts	156,853
Intergovernmental - State and Local	38,029,980
Intergovernmental - Federal	22,022,773
Interest	1,391,386
Inventory of Supplies at Cost	104,430
Inventory Held for Resale	233,181
Restricted Assets:	
Pooled Cash and Investments	5,833,376
Non-Depreciable Capital Assets	218,056,320
Depreciable Capital Assets, Net	463,680,519
Unamortized Bond Issuance Costs	5,110,759
<b>Total Assets</b>	<b>1,586,255,570</b>
<b>Liabilities:</b>	
Accounts Payable	19,385,054
Accrued Wages and Benefits	28,876,554
Intergovernmental Payable	10,380,775
Claims Payable	5,034,152
Unearned Revenue - Taxes	228,906,697
Accrued Interest Payable	3,106,516
Tax Anticipation Notes Payable	18,755,000
General Obligation Notes Payable	9,310,000
Long Term Liabilities:	
Due Within One Year	32,048,627
Due in More Than One Year	775,331,774
<b>Total Liabilities</b>	<b>1,131,135,149</b>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	326,129,887
Restricted For:	
Capital Projects	31,994,427
Debt Service	5,484,225
Permanent Fund:	
Expendable	457,573
Nonexpendable	768,034
Unrestricted	90,286,275
<b>Total Net Assets</b>	<b>\$ 455,120,421</b>

See accompanying notes to the basic financial statements

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Statement of Activities For the Fiscal Year Ended June 30, 2009

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Instruction - Regular	\$ 218,216,256	\$ 6,735,570	\$ 42,432,838	\$ (169,047,848)
Instruction - Special	72,987,430	49,182	18,096,064	(54,842,184)
Instruction - Vocational	5,796,782	14,853	868,968	(4,912,961)
Instruction - Other	677,824	163	736,253	58,592
Support Services:				
Pupils	25,454,794	126,835	4,439,584	(20,888,375)
Instructional Staff	44,172,580	4,628,478	18,621,308	(20,922,794)
Board of Education	443,575	0	0	(443,575)
Administration	33,399,805	1,293,712	4,661,186	(27,444,907)
Fiscal Services	2,982,641	38,850	824,725	(2,119,066)
Business	1,382,889	1,470	0	(1,381,419)
Operation and Maintenance of Plant	41,344,253	899,334	87,967	(40,356,952)
Pupil Transportation	29,877,750	2,547	1,033,618	(28,841,585)
Central	19,309,398	10,279	4,983,713	(14,315,406)
Operation of Non-Instructional Services	34,574,667	2,183,221	26,900,214	(5,491,232)
Extracurricular Activities	6,727,253	1,947,178	2,513,274	(2,266,801)
Interest and Fiscal Charges	35,008,872	0	0	(35,008,872)
<b>Total Governmental Activities</b>	<b>\$ 572,356,769</b>	<b>\$ 17,931,672</b>	<b>\$ 126,199,712</b>	<b>(428,225,385)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				265,885,389
Debt Service				23,498,488
Revenue in Lieu of Taxes				10,919,337
Grants and Entitlements not Restricted to Specific Programs				165,610,526
Investment Earnings				10,097,650
Miscellaneous				1,384,948
Total General Revenues				477,396,338
Change in Net Assets				49,170,953
Net Assets Beginning of Year, Restated				405,949,468
Net Assets End of Year				\$ 455,120,421

See accompanying notes to the basic financial statements

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	General	Schoolwide Building Program	Building Capital Projects
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 68,872,909	\$ 7,593,095	\$ 336,293,865
Investments	0	0	0
Receivables:			
Taxes	304,671,457	0	0
Accounts	99,289	2,079	8,861
Intergovernmental - State and Local	0	0	0
Intergovernmental - Federal	146,521	0	0
Interest	178,942	0	842,820
Interfund Loans Receivable	3,056,531	0	0
Advances to Other Funds	564,733	0	2,759,740
Inventory of Supplies at Cost	0	0	0
Inventory Held for Resale	0	0	0
Restricted Assets:			
Pooled Cash and Investments	1,420,826	0	0
<b>Total Assets</b>	<b>\$ 379,011,208</b>	<b>\$ 7,595,174</b>	<b>\$ 339,905,286</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 4,807,417	\$ 78,523	\$ 2,925,246
Accrued Wages and Benefits	12,395,048	11,705,910	110,253
Intergovernmental Payable	4,462,301	4,214,208	39,692
Claims Payable	648,274	612,231	5,767
Interfund Loans Payable	0	0	0
Advances from Other Funds	1,396,719	0	0
Deferred Revenue - Taxes	252,583,246	0	0
Deferred Revenue	52,461	0	453,367
Compensated Absences Payable	182,275	0	0
Accrued Interest Payable	326,160	0	0
Tax Anticipation Notes Payable	18,755,000	0	0
General Obligation Notes Payable	9,310,000	0	0
<b>Total Liabilities</b>	<b>304,918,901</b>	<b>16,610,872</b>	<b>3,534,325</b>

# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 51,262,950	\$ 22,900,219	\$ 486,923,038
0	192,641	192,641
0	35,548,855	340,220,312
775	45,849	156,853
37,981,240	48,740	38,029,980
0	21,876,252	22,022,773
369,624	0	1,391,386
0	78,555	3,135,086
0	249,742	3,574,215
0	104,430	104,430
0	233,181	233,181
0	4,412,550	5,833,376
<u>\$ 89,614,589</u>	<u>\$ 85,691,014</u>	<u>\$ 901,817,271</u>
\$ 8,121,124	\$ 3,452,744	\$ 19,385,054
0	4,665,343	28,876,554
0	1,664,574	10,380,775
0	243,280	1,509,552
0	3,135,086	3,135,086
0	2,177,496	3,574,215
0	30,494,633	283,077,879
38,176,366	19,364,504	58,046,698
0	0	182,275
0	0	326,160
0	0	18,755,000
0	0	9,310,000
<u>46,297,490</u>	<u>65,197,660</u>	<u>436,559,248</u>

(Continued)

## **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

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	General	Schoolwide Building Program	Building Capital Projects
<b>Fund Balances:</b>			
Reserved for Encumbrances	9,722,042	380,371	26,726,753
Reserved for Debt Service	0	0	0
Reserved for Property Taxes	52,088,211	0	0
Reserved for Budget Stabilization	1,420,826	0	0
Reserved for Endowments	0	0	0
Reserved for Advances	564,733	0	2,759,740
Unreserved, Undesignated in:			
General Fund	10,296,495	0	0
Special Revenue Funds	0	(9,396,069)	0
Capital Projects Funds	0	0	306,884,468
Permanent Fund	0	0	0
<b>Total Fund Balances</b>	<u>74,092,307</u>	<u>(9,015,698)</u>	<u>336,370,961</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 379,011,208</u></u>	<u><u>\$ 7,595,174</u></u>	<u><u>\$ 339,905,286</u></u>

See accompanying notes to the basic financial statements



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***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
103,352,694	5,909,366	146,091,226
0	4,412,276	4,412,276
0	5,054,222	57,142,433
0	0	1,420,826
0	768,034	768,034
0	249,742	3,574,215
0	0	10,296,495
0	4,068,798	(5,327,271)
(60,035,595)	(426,657)	246,422,216
0	457,573	457,573
43,317,099	20,493,354	465,258,023
<u>\$ 89,614,589</u>	<u>\$ 85,691,014</u>	<u>\$ 901,817,271</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### ***Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities June 30, 2009***

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**Total Governmental Fund Balances** \$ 465,258,023

***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. 681,736,839

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

Taxes Receivable - accrual basis	54,171,182	
Interest Receivable - accrual basis	700,955	
Grants Receivable - accrual basis	<u>57,345,743</u>	
Total		112,217,880

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. 775,402

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	(32,048,627)	
Amounts Due in More Than One Year	(775,331,774)	
Compensated Absences - accrued on fund basis	182,275	
Accrued Interest on Long-Term Debt	(2,780,356)	
Bond Issuance Costs	<u>5,110,759</u>	
Total		<u>(804,867,723)</u>

***Net Assets of Governmental Activities*** \$ 455,120,421

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, 2009**

	General	Schoolwide Building Program	Building Capital Projects
<b>Revenues:</b>			
Taxes	\$ 255,036,981	\$ 0	\$ 0
Tuition	990,392	0	0
In Lieu of Taxes	5,919,337	0	0
Investment Earnings	1,753,549	0	6,445,684
Food Services	0	0	0
Intergovernmental - State	162,253,326	0	0
Intergovernmental - Federal	3,682,450	0	0
All Other Revenue	588,186	0	817,908
<b>Total Revenue</b>	<b>430,224,221</b>	<b>0</b>	<b>7,263,592</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	120,814,367	79,416,503	0
Special	32,110,608	27,478,003	0
Vocational	4,721,725	0	0
Other	47,889	0	0
Supporting Services:			
Pupils	14,934,657	4,013,338	0
Instructional Staff	12,008,084	10,059,970	0
Board of Education	432,078	0	0
Administration	17,607,839	10,569,298	0
Fiscal Services	2,120,487	0	61,988
Business	908,127	0	360,341
Operation & Maintenance of Plant	30,465,673	3,417,158	506,937
Pupil Transportation	28,922,427	50	0
Central	14,375,604	0	93,753
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	3,808,798	671,542	0
Capital Outlay	1,268,751	0	29,016,479
Debt Service:			
Principal Retirement	0	0	0
Interest & Fiscal Charges	1,126,928	0	0
<b>Total Expenditures</b>	<b>285,674,042</b>	<b>135,625,862</b>	<b>30,039,498</b>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 22,691,521	\$ 277,728,502
0	759,616	1,750,008
0	5,000,000	10,919,337
2,756,956	40,503	10,996,692
0	2,116,608	2,116,608
35,933,964	53,957,262	252,144,552
0	64,907,888	68,590,338
80,000	14,059,395	15,545,489
<u>38,770,920</u>	<u>163,532,793</u>	<u>639,791,526</u>
0	8,514,982	208,745,852
0	12,303,516	71,892,127
0	753,077	5,474,802
0	625,818	673,707
0	5,925,135	24,873,130
0	21,488,708	43,556,762
0	0	432,078
0	4,832,912	33,010,049
0	742,167	2,924,642
0	69,834	1,338,302
0	6,197,818	40,587,586
0	700,790	29,623,267
0	4,245,373	18,714,730
0	25,494,720	25,494,720
0	2,135,745	6,616,085
89,927,832	946,926	121,159,988
0	19,900,000	19,900,000
0	36,884,411	38,011,339
<u>89,927,832</u>	<u>151,761,932</u>	<u>693,029,166</u>

(Continued)

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2009***

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	<u>General</u>	<u>Schoolwide Building Program</u>	<u>Building Capital Projects</u>
Excess (Deficiency) of Revenues Over Expenditures	144,550,179	(135,625,862)	(22,775,906)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	135,870,034	0
Transfers Out	<u>(112,171,748)</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(112,171,748)</u>	<u>135,870,034</u>	<u>0</u>
Net Change in Fund Balance	32,378,431	244,172	(22,775,906)
<b>Fund Balances at Beginning of Year, Restated</b>	<u>41,713,876</u>	<u>(9,259,870)</u>	<u>359,146,867</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 74,092,307</u></u>	<u><u>\$ (9,015,698)</u></u>	<u><u>\$ 336,370,961</u></u>

See accompanying notes to the basic financial statements



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***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
(51,156,912)	11,770,861	(53,237,640)
0	17,065,791	152,935,825
0	(40,764,077)	(152,935,825)
0	(23,698,286)	0
(51,156,912)	(11,927,425)	(53,237,640)
94,474,011	32,420,779	518,495,663
<u>\$ 43,317,099</u>	<u>\$ 20,493,354</u>	<u>\$ 465,258,023</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### ***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, 2009***

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Net Change in Fund Balances - Total Governmental Funds \$ (53,237,640)

***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. 105,240,075

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. (4,984,913)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (18,263,804)

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however it does not effect net assets. 19,900,000

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. 3,002,467

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. (2,699,632)

The internal service funds are used by management to charge the costs of services to individual funds are 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. 214,400

***Change in Net Assets of Governmental Activities*** \$ 49,170,953

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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 259,943,078	\$ 257,050,735	\$ 236,426,175	\$ (20,624,560)
Tuition	1,055,291	992,353	984,389	(7,964)
In Lieu of Taxes	6,612,462	6,538,886	5,981,495	(557,391)
Investment Earnings	1,963,707	1,941,857	1,776,328	(165,529)
Intergovernmental - State	179,556,200	177,558,309	162,422,782	(15,135,527)
Intergovernmental - Federal	3,908,922	3,865,428	3,535,929	(329,499)
All Other Revenues	606,107	599,363	588,472	(10,891)
Total Revenues	<u>453,645,767</u>	<u>448,546,931</u>	<u>411,715,570</u>	<u>(36,831,361)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	140,323,285	144,034,924	123,821,514	20,213,410
Special	39,879,866	40,927,567	35,199,711	5,727,856
Vocational	5,777,680	5,929,468	5,099,633	829,835
Other	69,389	71,212	61,245	9,967
Support Services:				
Pupils	16,785,613	17,226,595	14,815,715	2,410,880
Instructional Staff	14,812,444	15,201,588	13,074,110	2,127,478
Board of Education	505,033	518,301	445,764	72,537
Administration	21,198,736	21,755,657	18,710,930	3,044,727
Fiscal Services	2,541,401	2,608,167	2,243,152	365,015
Business	1,111,358	1,140,555	980,933	159,622
Operation and Maintenance of Plant	35,684,448	36,621,929	31,496,652	5,125,277
Pupil Transportation	33,003,391	33,870,437	29,130,234	4,740,203
Central	17,742,535	18,208,657	15,660,336	2,548,321
Extracurricular Activities	4,475,247	4,592,819	3,950,049	642,770
Capital Outlay	1,491,848	1,531,041	1,316,770	214,271
Total Expenditures	<u>335,402,274</u>	<u>344,238,917</u>	<u>296,006,748</u>	<u>48,232,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	118,243,493	104,308,014	115,708,822	11,400,808

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(122,019,606)	(122,019,606)	(122,019,606)	0
Advances In	37,529,717	37,529,717	37,529,717	0
Advances Out	(40,753,317)	(40,753,317)	(40,753,317)	0
Refund of Prior Year's Receipts	(168,460)	(168,460)	(168,453)	7
Total Other Financing Sources (Uses):	<u>(125,411,666)</u>	<u>(125,411,666)</u>	<u>(125,411,659)</u>	<u>7</u>
Net Change in Fund Balance	(7,168,173)	(21,103,652)	(9,702,837)	11,400,815
Fund Balance at Beginning of Year	47,071,874	47,071,874	47,071,874	0
Prior Year Encumbrances	<u>12,415,867</u>	<u>12,415,867</u>	<u>12,415,867</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,319,568</u>	<u>\$ 38,384,089</u>	<u>\$ 49,784,904</u>	<u>\$ 11,400,815</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	79,177,875	87,654,742	80,543,108	7,111,634
Special	27,234,069	30,149,777	27,703,655	2,446,122
Support Services:				
Pupils	4,071,535	4,507,437	4,141,738	365,699
Instructional Staff	9,827,701	10,879,865	9,997,156	882,709
Administration	10,595,419	11,729,775	10,778,111	951,664
Operation and Maintenance of Plant	3,424,165	3,790,760	3,483,207	307,553
Pupil Transportation	1,233	1,365	1,254	111
Extracurricular Activities	674,556	746,774	686,187	60,587
Total Expenditures	135,006,553	149,460,495	137,334,416	12,126,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,006,553)	(149,460,495)	(137,334,416)	12,126,079
<b>Other Financing Sources (Uses):</b>				
Transfers In	142,620,027	142,751,935	135,870,034	(6,881,901)
Total Other Financing Sources (Uses):	142,620,027	142,751,935	135,870,034	(6,881,901)
Net Change in Fund Balance	7,613,474	(6,708,560)	(1,464,382)	5,244,178
Fund Balance at Beginning of Year	6,014,840	6,014,840	6,014,840	0
Prior Year Encumbrances	693,720	693,720	693,720	0
Fund Balance at End of Year	\$ 14,322,034	\$ 0	\$ 5,244,178	\$ 5,244,178

See accompanying notes to the basic financial statements



## **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Statement of Net Assets  
Proprietary Fund  
June 30, 2009***

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	Governmental Activities - Internal Service Fund
<b>Assets:</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 4,300,002
<b>Total Assets</b>	<u>4,300,002</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>3,524,600</u>
<b>Total Liabilities</b>	<u>3,524,600</u>
<b>Net Assets:</b>	
Unrestricted	<u>775,402</u>
<b>Total Net Assets</b>	<u><u>\$ 775,402</u></u>

See accompanying notes to the basic financial statements

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Fund For the Fiscal Year Ended June 30, 2009***

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	Governmental Activities - Internal Service Fund
<b>Operating Revenues:</b>	
Interfund Charges	<u>\$ 40,514,321</u>
<b>Total Operating Revenues</b>	<u>40,514,321</u>
<b>Operating Expenses:</b>	
Claims	<u>40,299,921</u>
<b>Total Operating Expenses</b>	<u>40,299,921</u>
Operating Income	214,400
Net Assets Beginning of Year	<u>561,002</u>
Net Assets End of Year	<u><u>\$ 775,402</u></u>

See accompanying notes to the basic financial statements

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Statement of Cash Flows***

#### ***Proprietary Fund***

***For the Fiscal Year Ended June 30, 2009***

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	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$40,514,321
Cash Payments for Claims	<u>(40,214,321)</u>
Net Cash Provided by Operating Activities	<u>300,000</u>
Net Change in Cash and Cash Equivalents	300,000
Cash and Cash Equivalents at Beginning of Year	<u>4,000,002</u>
Cash and Cash Equivalents at End of Year	<u><u>\$4,300,002</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$214,400
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Claims Payable	<u>85,600</u>
Total Adjustments	<u>85,600</u>
Net Cash Provided by Operating Activities	<u><u>\$300,000</u></u>

See accompanying notes to the basic financial statements

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## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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***Statement of Net Assets  
Fiduciary Funds  
June 30, 2009***

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	Private Purpose Trust Special Trust Fund	Agency
<b>Assets:</b>		
Equity in Pooled Cash and Investments	\$ 796,467	\$ 74,916
Investments	260,915	0
<b>Total Assets</b>	<u>1,057,382</u>	<u>74,916</u>
<b>Liabilities:</b>		
Accounts Payable	1,245	0
Due to Students	0	74,916
<b>Total Liabilities</b>	<u>1,245</u>	<u>74,916</u>
<b>Net Assets:</b>		
Unrestricted	1,056,137	0
<b>Total Net Assets</b>	<u>\$ 1,056,137</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Statement of Changes in Net Assets Fiduciary Fund For the Fiscal Year Ended June 30, 2009***

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	Private Purpose Trust Special Trust Fund
<b>Additions:</b>	
Investment Earnings:	
Interest	\$ 30,604
Net Decrease in the Fair Value of Investments	(57,842)
Total Investment Earnings	(27,238)
Total Additions	(27,238)
<b>Deductions:</b>	
Administrative Expenses	2,685
Community Services	51,067
Total Deductions	53,752
Change in Net Assets	(80,990)
Net Assets at Beginning of Year	1,137,127
Net Assets End of Year	\$ 1,056,137
See accompanying notes to the basic financial statements	

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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, 2009, the District employed 4,642 employees, including 2,562 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**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009*

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#### 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.

**Building Fund** - The Building capital projects fund accounts for revenues and expenditures related to all special bond funds in the District.

**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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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, 2009, and which are not intended to finance fiscal 2009 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. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2009 are reflected as a reservation of fund balance for future appropriations. 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**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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### **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 2009.

##### **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.

##### **4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **E. Budgetary Process** (Continued)

##### 5. 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.

##### 6. 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 (budgetary basis) as opposed to reservations of fund balance (GAAP 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)	\$32,378,431	\$244,172
Increase (Decrease):		
Accrued Revenues at June 30, 2009, received during FY 2010	(52,604,180)	(2,079)
Accrued Revenues at June 30, 2008, received during FY 2009	33,928,943	299
Accrued Expenditures at June 30, 2009, paid during FY 2010	20,820,186	14,720,849
Accrued Expenditures at June 30, 2008, paid during FY 2009	(17,889,019)	(15,968,729)
Interfund Activity 2009	(3,107,739)	0
Payment on Tax Anticipation Note	(8,700,000)	0
Encumbrances Outstanding	(14,529,459)	(458,894)
Budget Basis	<u>(\$9,702,837)</u>	<u>(\$1,464,382)</u>

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **F. Cash and Cash Equivalents**

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

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

##### **G. Investments**

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

The District has invested funds in the STAR Ohio during 2009. 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, 2009. See Note 5, "Cash, Cash Equivalents and Investments."

##### **H. Inventory**

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

##### **I. Capital Assets and Depreciation**

###### **1. Property, Plant and Equipment - Governmental Activities**

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

### 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:

Description	Estimated Lives (in years)
Land Improvements	20
Buildings and Improvements	45
Furniture, Fixtures and Equipment	7 – 20
Vehicles	5

#### **J. Long-Term Obligations**

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

Obligation	Fund
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, 2009*

### 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:

	<b><u>Certificated</u></b>	<b><u>Administrators</u></b>	<b><u>Non-Certificated</u></b>
<b><u>Vacation:</u> How Earned</b>	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.
<b>Maximum Accumulation</b>	Not Applicable	54 days	2 times the yearly accrual plus current year's accumulation
<b>Vested</b>	Not Applicable	As Earned	As Earned
<b>Termination Entitlement</b>	Not Applicable	Paid upon termination	Paid upon termination
<b><u>Sick Leave:</u> How Earned</b>	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.
<b>Maximum Accumulation</b>	Unlimited	Unlimited	Unlimited
<b>Vested</b>	As Earned	As Earned	As Earned
<b>Termination Entitlement</b>	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.
<b><u>Personal Leave:</u> How Earned</b>	3 days granted as of August 1	3 days granted as of August 1	3 days granted as of August 1
<b>Maximum Accumulation</b>	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
<b>Vested</b>	Not Applicable	Not Applicable	Not Applicable
<b>Termination Entitlement</b>	Not Applicable	Not Applicable	Not Applicable

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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 of 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. Net Assets restricted for Other Purposes include restricted state and federal grants.

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. This reserve is required by State statute and can be used only after receiving approval from the Board of Education. The restricted assets in the debt service fund represents cash and cash equivalents set aside for debt retirement purposes. Fund balance reserves have also been established for these amounts.



# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **P. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for advances, debt service, endowments, property taxes, budget stabilization and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute. The reserve for budget stabilization is required by State statute.

#### **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.

### **NOTE 2 – RESTATEMENT OF BALANCES PREVIOUSLY REPORTED**

The balances reported at June 30, 2008 in Bond Retirement Fund and the Governmental Activities (entity wide) were restated from balances previously reported due to an error in the recording of general obligation note payable. Additionally the balances reported at June 30, 2008 in the Governmental Activities (entity wide) were restated from balances previously reported due to an error in the recording of an intergovernmental receivable. The table below reflects these changes:

	Debt Service Fund	Governmental Activities
Fund Balance/Net Assets		
at June 30, 2008 (As Reported)	\$27,991,228	\$442,338,940
Note Payable	(4,800,368)	(4,800,368)
Intergovernmental Receivable	0	(31,589,104)
Fund Balance/Net Assets		
at June 30, 2008 (As Restated)	<u>\$23,190,860</u>	<u>\$405,949,468</u>

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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

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

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

Capital Asset Additions	\$116,681,996
Depreciation Expense	<u>(11,441,821)</u>
	\$105,240,175

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$11,655,375
Decrease in Interest Receivable	(899,042)
Decrease in Grants Receivable	<u>(29,020,137)</u>
	(\$18,263,804)

*Net amount of long-term bond and lease principal payments:*

Bond Principal Payment	\$19,900,000
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*Interest expense not reported in the funds:*

Decrease in accrued interest on long term debt	\$84,414
Amortization of Bond Premium	5,733,055
Amortization of Deferred Loss on Defeasance	(2,039,621)
Amortization of Bond Issuance Costs	<u>(775,381)</u>
	\$3,002,467

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 4 – DEFICIT FUND EQUITIES**

The fund deficits at June 30, 2009 of \$9,015,698 in the Schoolwide Building Program Fund, \$1,323,522 in the Poverty Based Assistance Fund, \$387,551 in the Title VI-B Fund, \$2,307,510 in the Chapter I Fund, \$417,370 in the Miscellaneous Federal Grants Fund (special revenue funds) and of \$48,296 in the Ohio School Net Fund, \$765,631 in the School Building Assistance Fund and of \$60,380 in the Emergency School Repair Fund (capital projects funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur.

#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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

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

#### **A. Deposits**

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

At year end the carrying amount of the District's deposits was \$109,939,094 and the bank balance was \$119,930,743. The Federal Deposit Insurance Corporation (FDIC) covered \$750,000 of the bank balance and \$119,180,743 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, 2009

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

##### **B. Investments**

The District's investments at June 30, 2009 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$648,602	AAAm <sup>2</sup>	\$648,602	\$0
US T-Bill	26,011,025	Aaa <sup>1</sup> , AAA <sup>2</sup>	26,011,025	0
Freddie Mac	38,957,879	Aaa <sup>1</sup> , AAA <sup>2</sup>	21,888,439	17,069,440
FNMA	81,293,308	Aaa <sup>1</sup> , AAA <sup>2</sup>	72,280,798	9,012,510
FHLM	26,997,163	Aaa <sup>1</sup> , AAA <sup>2</sup>	2,011,180	24,985,983
FFCB	24,558,875	Aaa <sup>1</sup> , AAA <sup>2</sup>	4,576,395	19,982,480
FHLB	189,521,853	Aaa <sup>1</sup> , AAA <sup>2</sup>	112,652,966	76,868,887
Common Stock	453,556	N/A	0	0
Total Investments	<u>\$388,442,261</u>		<u>\$240,069,405</u>	<u>\$147,919,300</u>

<sup>1</sup> Moody's Investor Service

<sup>2</sup> 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, .17% are Star Ohio, 6.7% are US T-bills, 10% are Freddie Mac, 20.9% are FNMA, 7% are FHLM, 6.3% are FFCB, 48.8% are FHLB and .13 % are common stock (all donated).

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

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

## **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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

##### **C. Reconciliation of Cash, Cash Equivalents and Investments**

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

	Pooled Cash and Investments *	Investments
Per Combined Balance Sheet	\$497,927,799	\$453,556
U.S. Government Securities	(387,340,103)	387,340,103
STAR Ohio	(648,602)	648,602
Per GASB Statement No. 3	<u>\$109,939,094</u>	<u>\$388,442,261</u>

\* - Includes restricted pooled cash and investments

#### **NOTE 6 - 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 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, 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 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2008, were levied after April 1, 2008 and are collected in 2009 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 6 - PROPERTY TAXES (Continued)**

Tangible personal property tax revenue received during calendar year 2009 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2008, on the value as of December 31, 2008. Tangible personal property is currently assessed at six and one quarter percent of true value. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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, 2009, are available to finance fiscal year 2009 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, 2009 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, 2009 was \$52,088,211 in the general fund and \$5,054,222 in the debt service fund. The amount available as an advance at June 30, 2008, was \$33,477,405 in the general fund and \$3,220,947 in the debt service fund.

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

#### **NOTE 7 - RECEIVABLES**

Receivables at June 30, 2009 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, 2009***

#### **NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds at June 30, 2009:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$112,171,748
Schoolwide Building Program Fund	135,870,034	0
Other Governmental Funds	17,065,791	40,764,077
Total All Funds	<u>\$152,935,825</u>	<u>\$152,935,825</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 \$11,065,791 to the Debt Service Fund for the retirement of various debt issues and \$6,000,000 to the Classroom Facilities Maintenance Fund to provide operating funds. All of the other transfers were made to cover the expenditures of the Schoolwide Building Program Fund.

#### **NOTE 9 - INTERFUND RECEIVABLES/PAYABLES**

Interfund loans receivable/payable and advances to/from other funds at June 30, 2009 from one individual fund to another are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$3,621,264	\$1,396,719
Building Capital Projects Fund	2,759,740	0
Other Governmental Funds	328,297	5,312,582
Total	<u>\$6,709,301</u>	<u>\$6,709,301</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, 2009*

### NOTE 10 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2009:

*Historical Cost:*

Class	June 30, 2008	Additions	Deletions	June 30, 2009
<b>Capital assets not being depreciated:</b>				
Land	\$ 35,594,698	\$571,695	\$0	\$36,166,393
Construction In Progress	178,386,451	116,400,402	(112,896,926)	181,889,927
<b>Capital assets being depreciated:</b>				
Land Improvements	9,367,759	0	(182,119)	9,185,640
Buildings and Improvements	461,124,402	112,325,237	(22,831,976)	550,617,663
Furniture, Fixtures, and Equipment	5,030,308	281,488	(269,600)	5,042,196
Vehicles	629,654	0	0	629,654
Total Cost	<u>\$ 690,133,272</u>	<u>\$229,578,822</u>	<u>(\$136,180,621)</u>	<u>\$ 783,531,473</u>
<b>Accumulated Depreciation:</b>				
Class	June 30, 2008	Additions	Deletions	June 30, 2009
Land Improvements	(\$7,401,891)	(\$155,073)	\$68,295	(\$7,488,669)
Buildings and Improvements	(96,676,892)	(10,818,387)	17,960,887	(89,534,392)
Furniture, Fixtures, and Equipment	(4,050,074)	(430,896)	269,600	(4,211,370)
Vehicles	(522,738)	(37,465)	0	(560,203)
Total Depreciation	<u>(\$108,651,595)</u>	<u>(\$11,441,821) *</u>	<u>\$18,298,782</u>	<u>(\$101,794,634)</u>
<b>Net Value:</b>	<u>\$581,481,677</u>			<u>\$681,736,839</u>

\* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$1,391,472
Special	74,408
Vocational	344,727
Support Services:	
Pupils	175,007
Instructional Staff	26,281
Administration	6,992
Fiscal	21,320
Operation and Maintenance of Plant	301,351
Pupil Transportation	7,907
Central	221,868
Extracurricular Activities	4,400
Other Noninstructional Services	8,866,088
Total Depreciation Expense	<u>\$11,441,821</u>

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

##### **A. School Employees 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](http://www.ohsers.org), under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 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 2009, 9.09 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 required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$7,449,899, \$6,944,237 and \$7,510,367 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](http://www.strsoh.org).

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

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System** (Continued)

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, 2009, 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 2008, 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 required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$24,308,579, \$26,253,992, and \$26,002,802 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2009 were \$14,324,698 made by the District and \$13,890,617 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, 2009, 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 12 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employees Retirement System**

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System 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, Medicare Advantage 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 System 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 2009, 4.16 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 2009, 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, 2009, 2008, and 2007 were \$3,223,000, \$3,168,877, and \$1,870,560 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 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$771,597, \$500,349, and \$464,124 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](http://www.strsoh.org) or by calling (888) 227-7877.

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 12 - 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 2009, 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, 2009, 2008, and 2007 were \$2,517,674, \$2,019,538, and \$1,857,343 respectively; which were equal to the required contributions for each year.

#### **NOTE 13 –NOTES PAYABLE**

Note Payable activity of the District for the year ended June 30, 2009, was as follows:

<u>Notes Payable</u>		<u>Balance</u> <u>6/30/2008 *</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Tax Anticipation Note	5.00%	\$27,455,000	\$0	(\$8,700,000)	\$18,755,000
General Obligation Note	1.75%	\$4,795,000	\$9,310,000	(\$4,795,000)	\$9,310,000

\* - As restated, See Note 2

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.

The general obligation note was issued to provide the refinancing of the bonds for the purpose of paying the local share of school construction under the State of Ohio School Improvement Assistance Program.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

### NOTE 14- LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long-term debt of the District for the year ended June 30, 2009 is as follows:

		Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009	Amount Due Within One Year
School Improvement	2.0-5.25%	\$98,450,000	\$0	(\$4,955,000)	\$93,495,000	\$5,200,000
(Original Issue Amount = \$120,000,000)						
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%	61,415,000	0	(7,590,000)	53,825,000	9,165,000
(Original Issue Amount = \$480,000,000)						
Energy Conservation	2.97-5.0%	8,655,000	0	(2,755,000)	5,900,000	2,875,000
(Original Issue Amount = \$13,800,000)						
Computer Technology	2.97-5.0%	8,155,000	0	(2,595,000)	5,560,000	2,710,000
(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%	368,870,000	0	(2,005,000)	366,865,000	2,285,000
(Original Issue Amount = \$380,945,000)						
Sub-Total General Obligation Bonds		619,310,000	0	(19,900,000)	599,410,000	22,235,000
Premium General Obligation Bond		56,748,543	0	(4,482,497)	52,266,046	4,482,497
Deferred Loss on Refunding		(24,855,374)	0	2,039,621	(22,815,753)	(2,039,621)
Total General Obligation Bonds		651,203,169	0	(22,342,876)	628,860,293	24,677,876
Capital Leases Payable		120,365,000	0	0	120,365,000	0
Premium on Capital Lease		5,002,234	0	(1,250,558)	3,751,676	1,250,558
Total Capital Leases Payable		125,367,234	0	(1,250,558)	124,116,676	1,250,558
Compensated Absences		51,726,099	54,403,432	(51,726,099)	54,403,432	6,120,193
Total Governmental Long-Term Debt		\$828,296,502	\$54,403,432	(\$75,319,533)	\$807,380,401	\$32,048,627

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

#### **NOTE 14- 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, 2009 follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2010	\$22,235,000	\$29,960,100	\$52,195,100
2011	23,410,000	28,870,158	52,280,158
2012	17,870,000	27,878,632	45,748,632
2013	27,430,000	26,800,008	54,230,008
2014	28,855,000	25,438,723	54,293,723
2015-2019	148,845,000	105,760,215	254,605,215
2020-2024	137,410,000	67,789,281	205,199,281
2025-2029	111,440,000	36,726,602	148,166,602
2030-2032	81,915,000	6,597,545	88,512,545
Totals	<u>\$599,410,000</u>	<u>\$355,821,264</u>	<u>\$955,231,264</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 2008 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, 2009, 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 14- 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 \$17,380,000, at June 30, 2009, 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 \$70,095,000, at June 30, 2009, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

#### **NOTE 15 - 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, 2009***

#### **NOTE 15 - 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, 2009:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2010	\$5,992,862
2011	12,481,487
2012	12,480,237
2013	6,192,362
2014	6,194,387
2015-2019	30,918,436
2020-2024	62,774,456
2025-2029	56,161,625
2030-2033	46,827,500
Minimum Lease Payments	240,023,352
Less: Amount representing interest at the District's incremental borrowing rate of interest	(119,658,352)
Present value of minimum lease payments	<u><u>\$120,365,000</u></u>

#### **NOTE 16 - OPERATING LEASE COMMITMENTS**

The District is committed under various leases for furniture and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended June 30, 2009 amounted to \$21,024. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2010	<u>\$19,224</u>
Total Lease Payments	<u><u>\$19,224</u></u>

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **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 2009 the District participated in the Ohio Bureau of Workers Compensation Retrospective Rating Program, which requires a minimum 20% 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 2009 was \$1,507,880. The premium cost paid in fiscal year 2009 was \$1,773,023. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2009, the Ohio Bureau of Workers Compensation established a reserve of \$1,518,807 for future claim payments.

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 18.66% 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, 2009, the IBNR's were determined to be \$3,524,600.

Changes in the fund's claims liability amount in 2009 and 2008 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>
2008	\$3,018,000	\$38,584,554	(\$38,163,554)	\$3,439,000
2009	3,439,000	40,299,921	(40,214,321)	3,524,600

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,328,886. Dental Care Plus does not require an employee payroll deduction.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

#### NOTE 17 - RISK MANAGEMENT (Continued)

The District offers to all employees who work a minimum of sixty-percent of full time employees and who are not AFSCME union members, a benefit called Benefit Bank. Each employee that qualifies is given \$300 on January 2 each year and employees that are married or have dependents can receive an additional \$125 if they return the application for additional funds. Substitute teachers also qualify for a \$300 benefit each September 1 if in the prior school the substitute teacher worked at least eighty-nine 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.

#### NOTE 18 – 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, 2009, 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, 2008	(\$38,462,040)	\$0	\$1,420,826	(\$37,041,214)
Current Year Set-Aside Requirement	5,597,950	5,597,950	0	11,195,900
Current Year Offset Credits	0	(19,430,850)	0	(19,430,850)
Qualifying Disbursements	(2,719,669)	(1,237,142)	0	(3,956,811)
Total	<u>(\$35,583,759)</u>	<u>(\$15,070,042)</u>	<u>\$1,420,826</u>	<u>(\$49,232,975)</u>
Balance Carried Forward to FY 2010	<u>(\$35,583,759)</u>	<u>\$0</u>	<u>\$1,420,826</u>	<u>(\$34,162,933)</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, 2009, 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.

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009***

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#### **NOTE 19 - CONTRACTUAL COMMITMENTS**

As of June 30, 2009, the District had entered into various construction contracts for renovations and improvements which it had a remaining unperformed and unpaid total commitment of approximately \$147.5 million.

#### **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, 2009.

##### **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

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



## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Nonmajor Governmental Funds***

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#### ***Special Revenue Funds***

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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.

##### **Poverty Based Assistance Fund**

Used to account for monies received for disadvantaged pupil aid.

##### **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.

##### **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.

##### **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 Fund**

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.

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Debt Service Fund***

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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***

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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.

#### **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.

#### **Energy Conservation Fund**

Used to account for federal grants monies provided to identify and implement energy conservation maintenance and operating procedures and acquire energy conservation measures to reduce consumption.

#### **Power Up Fund**

Used to account for state grants monies to be spent on electrical upgrades.

#### **Interactive Video Distance Learning Fund**

Used to account for monies received from the state to purchase video learning equipment.

#### **Ohio School Net Fund**

Used to account for wiring to all classrooms in the state and to provide a computer workstation and related technology for every classroom.

#### **School Building Assistance Fund**

Used to account for matching funds provided for the big eight school districts to be used for major renovations and repairs to school facilities. (This fund only exists on a GAAP basis and is not part of the District's appropriated budget, therefore no budgetary schedule is presented.)

#### **Emergency School Repair Fund**

Used to account for funds provided for financial assistance to local education agencies (LES's) with urgent school repair and renovation needs. (This fund only exists on a GAAP basis and is not part of the District's appropriated budget, therefore no budgetary schedule is presented.)



## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Permanent Fund***

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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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$ 21,403,169	\$ 0	\$ 459,543	\$ 1,037,507	\$ 22,900,219
Investments	4,906	0	0	187,735	192,641
Receivables:					
Taxes	0	35,548,855	0	0	35,548,855
Accounts	8,869	0	36,980	0	45,849
Intergovernmental - State and Local	48,740	0	0	0	48,740
Intergovernmental - Federal	21,875,887	0	0	365	21,876,252
Interfund Loans Receivable	78,555	0	0	0	78,555
Advances to Other Funds	249,742	0	0	0	249,742
Inventory of Supplies at Cost	104,430	0	0	0	104,430
Inventory Held for Resale	233,181	0	0	0	233,181
Restricted Assets:					
Cash and Cash Equivalents	0	4,412,550	0	0	4,412,550
<b>Total Assets</b>	<b>\$ 44,007,479</b>	<b>\$ 39,961,405</b>	<b>\$ 496,523</b>	<b>\$ 1,225,607</b>	<b>\$ 85,691,014</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 3,452,744	\$ 0	\$ 0	\$ 0	\$ 3,452,744
Accrued Wages and Benefits	4,619,620	0	45,723	0	4,665,343
Intergovernmental Payable	1,663,095	0	1,479	0	1,664,574
Claims Payable	241,609	0	1,671	0	243,280
Interfund Loans Payable	3,086,790	0	48,296	0	3,135,086
Advances from Other Funds	1,351,485	0	826,011	0	2,177,496
Deferred Revenue - Taxes	0	30,494,633	0	0	30,494,633
Deferred Revenue	19,364,504	0	0	0	19,364,504
<b>Total Liabilities</b>	<b>33,779,847</b>	<b>30,494,633</b>	<b>923,180</b>	<b>0</b>	<b>65,197,660</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	5,909,092	274	0	0	5,909,366
Reserved for Debt Service	0	4,412,276	0	0	4,412,276
Reserved for Property Taxes	0	5,054,222	0	0	5,054,222
Reserved for Endowments	0	0	0	768,034	768,034
Reserved for Advances	249,742	0	0	0	249,742
Unreserved, Undesignated in:					
Special Revenue Funds	4,068,798	0	0	0	4,068,798
Capital Projects Funds	0	0	(426,657)	0	(426,657)
Permanent Fund	0	0	0	457,573	457,573
<b>Total Fund Balances</b>	<b>10,227,632</b>	<b>9,466,772</b>	<b>(426,657)</b>	<b>1,225,607</b>	<b>20,493,354</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 44,007,479</b>	<b>\$ 39,961,405</b>	<b>\$ 496,523</b>	<b>\$ 1,225,607</b>	<b>\$ 85,691,014</b>

# 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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 0	\$ 22,691,521	\$ 0	\$ 0	\$ 22,691,521
Tuition	759,616	0	0	0	759,616
In Lieu of Taxes	0	5,000,000	0	0	5,000,000
Investment Earnings	58,416	5,911	0	(23,824)	40,503
Food Services	2,116,608	0	0	0	2,116,608
Intergovernmental - State	49,215,114	4,742,148	0	0	53,957,262
Intergovernmental - Federal	64,907,888	0	0	0	64,907,888
All Other Revenue	14,059,395	0	0	0	14,059,395
<b>Total Revenue</b>	<b>131,117,037</b>	<b>32,439,580</b>	<b>0</b>	<b>(23,824)</b>	<b>163,532,793</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	8,498,982	0	0	16,000	8,514,982
Special	12,303,516	0	0	0	12,303,516
Vocational	753,077	0	0	0	753,077
Other	625,818	0	0	0	625,818
Supporting Services:					
Pupils	5,925,135	0	0	0	5,925,135
Instructional Staff	21,240,320	0	248,388	0	21,488,708
Administration	4,387,864	445,048	0	0	4,832,912
Fiscal Services	742,167	0	0	0	742,167
Business	69,834	0	0	0	69,834
Operation & Maintenance of Plant	6,197,800	0	18	0	6,197,818
Pupil Transportation	700,790	0	0	0	700,790
Central	4,245,373	0	0	0	4,245,373
Operation of Non-Instructional Services	25,494,720	0	0	0	25,494,720
Extracurricular Activities	2,135,745	0	0	0	2,135,745
Capital Outlay	941,926	0	5,000	0	946,926
Debt Service:					
Principal Retirement	0	19,900,000	0	0	19,900,000
Interest & Fiscal Charges	0	36,884,411	0	0	36,884,411
<b>Total Expenditures</b>	<b>94,263,067</b>	<b>57,229,459</b>	<b>253,406</b>	<b>16,000</b>	<b>151,761,932</b>
Excess (Deficiency) of Revenues Over Expenditures	36,853,970	(24,789,879)	(253,406)	(39,824)	11,770,861
<b>Other Financing Sources (Uses):</b>					
Transfers In	6,000,000	11,065,791	0	0	17,065,791
Transfers Out	(40,764,077)	0	0	0	(40,764,077)
<b>Total Other Financing Sources (Uses)</b>	<b>(34,764,077)</b>	<b>11,065,791</b>	<b>0</b>	<b>0</b>	<b>(23,698,286)</b>
Net Change in Fund Balance	2,089,893	(13,724,088)	(253,406)	(39,824)	(11,927,425)
<b>Fund Balances at Beginning of Year, Restated</b>	<b>8,137,739</b>	<b>23,190,860</b>	<b>(173,251)</b>	<b>1,265,431</b>	<b>32,420,779</b>
<b>Fund Balances End of Year</b>	<b>\$ 10,227,632</b>	<b>\$ 9,466,772</b>	<b>\$ (426,657)</b>	<b>\$ 1,225,607</b>	<b>\$ 20,493,354</b>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2009

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 2,944,943	\$ 2,812,446	\$ 6,744,496	\$ 1,329,965
Investments	0	0	0	0
Receivables:				
Accounts	401	8,405	0	0
Intergovernmental - State and Local	0	42,037	0	0
Intergovernmental - Federal	0	0	0	0
Interfund Loans Receivable	0	0	0	0
Advances to Other Funds	1	19,258	0	0
Inventory of Supplies at Cost	104,430	0	0	0
Inventory Held for Resale	233,181	0	0	0
<b>Total Assets</b>	<u>\$ 3,282,956</u>	<u>\$ 2,882,146</u>	<u>\$ 6,744,496</u>	<u>\$ 1,329,965</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 81,583	\$ 32,799	\$ 50,487	\$ 613,262
Accrued Wages and Benefits	622,520	330,494	225,520	366,388
Intergovernmental Payable	224,112	118,981	81,189	131,902
Claims Payable	32,558	17,285	11,795	19,162
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
Deferred Revenue	233,181	0	0	0
<b>Total Liabilities</b>	<u>1,193,954</u>	<u>499,559</u>	<u>368,991</u>	<u>1,130,714</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	103,999	1,030,968	369,010	1,484,538
Reserved for Advances	1	19,258	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	1,985,002	1,332,361	6,006,495	(1,285,287)
<b>Total Fund Balances (Deficit)</b>	<u>2,089,002</u>	<u>2,382,587</u>	<u>6,375,505</u>	<u>199,251</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,282,956</u>	<u>\$ 2,882,146</u>	<u>\$ 6,744,496</u>	<u>\$ 1,329,965</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

Poverty Based Assistance	Title VI-B	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 170,840	\$ 130,828	\$ 133,531	\$ 43,134	\$ 7,092,986	\$ 21,403,169
0	0	0	0	4,906	4,906
0	10	22	0	31	8,869
0	0	0	0	6,703	48,740
0	3,410,065	8,570,460	2,480,258	7,415,104	21,875,887
0	0	0	0	78,555	78,555
0	218,838	0	0	11,645	249,742
0	0	0	0	0	104,430
0	0	0	0	0	233,181
<u>\$ 170,840</u>	<u>\$ 3,759,741</u>	<u>\$ 8,704,013</u>	<u>\$ 2,523,392</u>	<u>\$ 14,609,930</u>	<u>\$ 44,007,479</u>
\$ 0	\$ 148,997	\$ 998,714	\$ 536,454	\$ 990,448	\$ 3,452,744
1,058,099	416,503	819,404	207,447	573,245	4,619,620
380,923	149,944	294,990	74,683	206,371	1,663,095
55,340	21,783	42,856	10,850	29,980	241,609
0	0	285,099	122,419	2,679,272	3,086,790
0	0	0	0	1,351,485	1,351,485
0	3,410,065	8,570,460	1,988,909	5,161,889	19,364,504
<u>1,494,362</u>	<u>4,147,292</u>	<u>11,011,523</u>	<u>2,940,762</u>	<u>10,992,690</u>	<u>33,779,847</u>
0	46,250	1,211,127	848,103	815,097	5,909,092
0	218,838	0	0	11,645	249,742
<u>(1,323,522)</u>	<u>(652,639)</u>	<u>(3,518,637)</u>	<u>(1,265,473)</u>	<u>2,790,498</u>	<u>4,068,798</u>
<u>(1,323,522)</u>	<u>(387,551)</u>	<u>(2,307,510)</u>	<u>(417,370)</u>	<u>3,617,240</u>	<u>10,227,632</u>
<u>\$ 170,840</u>	<u>\$ 3,759,741</u>	<u>\$ 8,704,013</u>	<u>\$ 2,523,392</u>	<u>\$ 14,609,930</u>	<u>\$ 44,007,479</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, 2009

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
<b>Revenues:</b>				
Tuition	\$ 0	\$ 759,616	\$ 0	\$ 0
Investment Earnings	8,191	250	0	30,404
Food Services	2,115,598	1,010	0	0
Intergovernmental - State	411,897	0	0	9,147,398
Intergovernmental - Federal	13,066,460	0	0	0
All Other Revenue	14,475	6,934,860	0	0
<b>Total Revenue</b>	<b>15,616,621</b>	<b>7,695,736</b>	<b>0</b>	<b>9,177,802</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	1,453,500	0	0
Special	0	48,480	0	0
Vocational	0	14,641	0	0
Other	0	161	0	0
Supporting Services:				
Pupils	0	125,025	0	0
Instructional Staff	0	4,562,429	0	0
Administration	0	1,275,251	0	0
Fiscal Services	0	38,296	0	123,941
Business	0	1,449	0	68,385
Operation & Maintenance of Plant	0	1,406	3,546,179	0
Pupil Transportation	0	2,511	0	0
Central	0	10,132	0	0
Operation of Non-Instructional Services	14,056,502	52,390	0	8,642,225
Extracurricular Activities	0	0	0	0
Capital Outlay	0	32,980	908,946	0
<b>Total Expenditures</b>	<b>14,056,502</b>	<b>7,618,651</b>	<b>4,455,125</b>	<b>8,834,551</b>
Excess (Deficiency) of Revenues Over Expenditures	1,560,119	77,085	(4,455,125)	343,251
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	6,000,000	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>6,000,000</b>	<b>0</b>
Net Change in Fund Balance	1,560,119	77,085	1,544,875	343,251
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>528,883</b>	<b>2,305,502</b>	<b>4,830,630</b>	<b>(144,000)</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 2,089,002</b>	<b>\$ 2,382,587</b>	<b>\$ 6,375,505</b>	<b>\$ 199,251</b>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

Poverty Based Assistance	Title VI-B	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 759,616
0	0	0	0	19,571	58,416
0	0	0	0	0	2,116,608
38,544,713	0	0	0	1,111,106	49,215,114
0	9,156,339	24,862,149	5,149,960	12,672,980	64,907,888
0	0	0	3,618,154	3,491,906	14,059,395
38,544,713	9,156,339	24,862,149	8,768,114	17,295,563	131,117,037
3,427,340	3,219	0	1,663,300	1,951,623	8,498,982
0	1,063,544	9,930,461	722,183	538,848	12,303,516
0	0	0	0	738,436	753,077
0	0	0	0	625,657	625,818
2,393,929	977,752	11,289	629,439	1,787,701	5,925,135
1,787,443	1,253,665	5,014,043	5,617,961	3,004,779	21,240,320
0	1,151,508	1,133,168	170,272	657,665	4,387,864
0	87,639	321,508	57,463	113,320	742,167
0	0	0	0	0	69,834
2,574,724	0	7,521	14,802	53,168	6,197,800
0	0	671,292	25,187	1,800	700,790
0	0	0	814	4,234,427	4,245,373
0	1,111,752	1,547,868	28,251	55,732	25,494,720
0	0	0	0	2,135,745	2,135,745
0	0	0	0	0	941,926
10,183,436	5,649,079	18,637,150	8,929,672	15,898,901	94,263,067
28,361,277	3,507,260	6,224,999	(161,558)	1,396,662	36,853,970
0	0	0	0	0	6,000,000
(25,316,040)	(3,418,809)	(8,960,093)	0	(3,069,135)	(40,764,077)
(25,316,040)	(3,418,809)	(8,960,093)	0	(3,069,135)	(34,764,077)
3,045,237	88,451	(2,735,094)	(161,558)	(1,672,473)	2,089,893
(4,368,759)	(476,002)	427,584	(255,812)	5,289,713	8,137,739
\$ (1,323,522)	\$ (387,551)	\$ (2,307,510)	\$ (417,370)	\$ 3,617,240	\$ 10,227,632

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009***

	Permanent Improvement	Replacement	Energy Conservation	Power Up
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 96,951	\$ 1,177	\$ 282,599	\$ 64,415
Receivables:				
Accounts	0	0	0	0
<b>Total Assets</b>	<u>\$ 96,951</u>	<u>\$ 1,177</u>	<u>\$ 282,599</u>	<u>\$ 64,415</u>
<b>Liabilities:</b>				
Accrued Wages and Benefits	\$ 0	\$ 0	\$ 45,723	\$ 0
Intergovernmental Payable	0	0	1,479	0
Claims Payable	0	0	1,671	0
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>48,873</u>	<u>0</u>
<b>Fund Balances:</b>				
Unreserved, Undesignated in:				
Capital Projects Funds (Deficit)	96,951	1,177	233,726	64,415
<b>Total Fund Balances</b>	<u>96,951</u>	<u>1,177</u>	<u>233,726</u>	<u>64,415</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 96,951</u>	<u>\$ 1,177</u>	<u>\$ 282,599</u>	<u>\$ 64,415</u>



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

Interactive Video Distance Learning	Ohio School Net	School Building Assistance	Emergency School Repair	Total Nonmajor Capital Projects Funds
\$ 14,401	\$ 0	\$ 0	\$ 0	\$ 459,543
36,980	0	0	0	36,980
<u>\$ 51,381</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 496,523</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,723
0	0	0	0	1,479
0	0	0	0	1,671
0	48,296	0	0	48,296
<u>0</u>	<u>0</u>	<u>765,631</u>	<u>60,380</u>	<u>826,011</u>
<u>0</u>	<u>48,296</u>	<u>765,631</u>	<u>60,380</u>	<u>923,180</u>
51,381	(48,296)	(765,631)	(60,380)	(426,657)
<u>51,381</u>	<u>(48,296)</u>	<u>(765,631)</u>	<u>(60,380)</u>	<u>(426,657)</u>
<u>\$ 51,381</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 496,523</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2009***

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	Permanent Improvement	Replacement	Energy Conservation	Power Up
<b>Revenues:</b>				
<b>Total Revenue</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Current:				
Supporting Services:				
Instructional Staff	0	0	0	0
Operation & Maintenance of Plant	18	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
<b>Total Expenditures</b>	<u>18</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(18)	0	(5,000)	0
<b>Fund Balances (Deficit) at Beginning of Year</b>	<u>96,969</u>	<u>1,177</u>	<u>238,726</u>	<u>64,415</u>
<b>Fund Balances (Deficit) End of Year</b>	<u><u>\$ 96,951</u></u>	<u><u>\$ 1,177</u></u>	<u><u>\$ 233,726</u></u>	<u><u>\$ 64,415</u></u>

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***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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Interactive Video Distance Learning	Ohio School Net	School Building Assistance	Emergency School Repair	Total Nonmajor Capital Projects Funds
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
0	248,388	0	0	248,388
0	0	0	0	18
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<u>0</u>	<u>248,388</u>	<u>0</u>	<u>0</u>	<u>253,406</u>
0	(248,388)	0	0	(253,406)
<u>51,381</u>	<u>200,092</u>	<u>(765,631)</u>	<u>(60,380)</u>	<u>(173,251)</u>
<u>\$ 51,381</u>	<u>\$ (48,296)</u>	<u>\$ (765,631)</u>	<u>\$ (60,380)</u>	<u>\$ (426,657)</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 491,175,483</u>	<u>\$ 486,076,647</u>	<u>\$ 449,245,287</u>	<u>\$ (36,831,360)</u>
Total Expenditures and Other Financing Uses	<u>498,343,657</u>	<u>507,180,300</u>	<u>458,948,124</u>	<u>48,232,176</u>
Net Change in Fund Balance	(7,168,174)	(21,103,653)	(9,702,837)	11,400,816
Fund Balances, Beginning of Year	47,071,874	47,071,874	47,071,874	0
Prior Year Encumbrances	<u>12,415,867</u>	<u>12,415,867</u>	<u>12,415,867</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 52,319,567</u></u>	<u><u>\$ 38,384,088</u></u>	<u><u>\$ 49,784,904</u></u>	<u><u>\$ 11,400,816</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>SCHOOLWIDE BUILDING PROGRAM FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 142,620,027</u>	<u>\$ 142,751,935</u>	<u>\$ 135,870,034</u>	<u>\$ (6,881,901)</u>
Total Expenditures and Other Financing Uses	<u>135,006,553</u>	<u>149,460,495</u>	<u>137,334,416</u>	<u>12,126,079</u>
Net Change in Fund Balance	7,613,474	(6,708,560)	(1,464,382)	5,244,178
Fund Balances, Beginning of Year	6,014,840	6,014,840	6,014,840	0
Prior Year Encumbrances	<u>693,720</u>	<u>693,720</u>	<u>693,720</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 14,322,034</u>	<u>\$ 0</u>	<u>\$ 5,244,178</u>	<u>\$ 5,244,178</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>BUILDING FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 8,462,364</u>	<u>\$ 9,310,860</u>	<u>\$ 848,496</u>
Total Expenditures and Other Financing Uses	<u>363,817,210</u>	<u>59,376,882</u>	<u>304,440,328</u>
Net Change in Fund Balance	(355,354,846)	(50,066,022)	305,288,824
Fund Balances, Beginning of Year	322,495,724	322,495,724	0
Prior Year Encumbrances	<u>32,859,122</u>	<u>32,859,122</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 305,288,824</u>	<u>\$ 305,288,824</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>CLASSROOM FACILITIES FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 33,996,334</u>	<u>\$ 39,754,910</u>	<u>\$ 5,758,576</u>
Total Expenditures and Other Financing Uses	<u>133,783,110</u>	<u>200,284,769</u>	<u>(66,501,659)</u>
Net Change in Fund Balance	(99,786,776)	(160,529,859)	(60,743,083)
Fund Balances, Beginning of Year	41,884,124	41,884,124	0
Prior Year Encumbrances	<u>57,902,652</u>	<u>57,902,652</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ (60,743,083)</u></u>	<u><u>\$ (60,743,083)</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>FOOD SERVICE FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 13,448,450</u>	<u>\$ 14,561,526</u>	<u>\$ 1,113,076</u>
Total Expenditures			
and Other Financing Uses	<u>14,827,867</u>	<u>13,282,094</u>	<u>1,545,773</u>
Net Change in Fund Balance	(1,379,417)	1,279,432	2,658,849
Fund Balances, Beginning of Year	1,042,340	1,042,340	0
Prior Year Encumbrances	<u>337,077</u>	<u>337,077</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 2,658,849</u>	<u>\$ 2,658,849</u>



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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>OTHER GRANTS FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 8,989,308</u>	<u>\$ 7,764,187</u>	<u>\$ (1,225,121)</u>
Total Expenditures and Other Financing Uses	<u>11,783,920</u>	<u>8,979,705</u>	<u>2,804,215</u>
Net Change in Fund Balance	(2,794,612)	(1,215,518)	1,579,094
Fund Balances, Beginning of Year	1,813,630	1,813,630	0
Prior Year Encumbrances	<u>1,097,206</u>	<u>1,097,206</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 116,224</u></u>	<u><u>\$ 1,695,318</u></u>	<u><u>\$ 1,579,094</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 6,000,000	\$ 6,000,000	\$ 0
Total Expenditures and Other Financing Uses	11,153,424	4,864,838	6,288,586
Net Change in Fund Balance	(5,153,424)	1,135,162	6,288,586
Fund Balances, Beginning of Year	4,681,775	4,681,775	0
Prior Year Encumbrances	471,649	471,649	0
Fund Balances, End of Year	\$ 0	\$ 6,288,586	\$ 6,288,586

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>AUXILIARY FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 10,278,301</u>	<u>\$ 9,177,802</u>	<u>\$ (1,100,499)</u>
Total Expenditures and Other Financing Uses	<u>11,129,215</u>	<u>10,855,707</u>	<u>273,508</u>
Net Change in Fund Balance	(850,914)	(1,677,905)	(826,991)
Fund Balances, Beginning of Year	81,029	81,029	0
Prior Year Encumbrances	<u>769,885</u>	<u>769,885</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ (826,991)</u></u>	<u><u>\$ (826,991)</u></u>

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## **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>POVERTY BASED ASSISTANCE FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 45,000,000</u>	<u>\$ 38,544,713</u>	<u>\$ (6,455,287)</u>
Total Expenditures and Other Financing Uses	<u>45,000,000</u>	<u>38,544,713</u>	<u>6,455,287</u>
Net Change in Fund Balance	0	0	0
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>TITLE VI-B FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 12,088,625</u>	<u>\$ 11,244,025</u>	<u>\$ (844,600)</u>
Total Expenditures			
and Other Financing Uses	<u>12,341,555</u>	<u>11,628,623</u>	<u>712,932</u>
Net Change in Fund Balance	(252,930)	(384,598)	(131,668)
Fund Balances, Beginning of Year	(276,612)	(276,612)	0
Prior Year Encumbrances	<u>529,542</u>	<u>529,542</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ (131,668)</u>	<u>\$ (131,668)</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>CHAPTER I FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 36,906,000</u>	<u>\$ 28,145,798</u>	<u>\$ (8,760,202)</u>
Total Expenditures and Other Financing Uses	<u>36,674,480</u>	<u>30,842,735</u>	<u>5,831,745</u>
Net Change in Fund Balance	231,520	(2,696,937)	(2,928,457)
Fund Balances, Beginning of Year	(1,508,851)	(1,508,851)	0
Prior Year Encumbrances	<u>1,997,178</u>	<u>1,997,178</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 719,847</u></u>	<u><u>\$ (2,208,610)</u></u>	<u><u>\$ (2,928,457)</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 11,496,275</u>	<u>\$ 9,683,178</u>	<u>\$ (1,813,097)</u>
Total Expenditures and Other Financing Uses	<u>11,658,639</u>	<u>11,352,527</u>	<u>306,112</u>
Net Change in Fund Balance	(162,364)	(1,669,349)	(1,506,985)
Fund Balances, Beginning of Year	(932,022)	(932,022)	0
Prior Year Encumbrances	<u>1,226,453</u>	<u>1,226,453</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 132,067</u></u>	<u><u>\$ (1,374,918)</u></u>	<u><u>\$ (1,506,985)</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>OTHER SPECIAL REVENUE FUNDS</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 24,352,233</u>	<u>\$ 20,018,661</u>	<u>\$ (4,333,572)</u>
Total Expenditures and Other Financing Uses	<u>27,591,563</u>	<u>22,180,293</u>	<u>5,411,270</u>
Net Change in Fund Balance	(3,239,330)	(2,161,632)	1,077,698
Fund Balances, Beginning of Year	5,923,474	5,923,474	0
Prior Year Encumbrances	<u>1,676,884</u>	<u>1,676,884</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 4,361,028</u></u>	<u><u>\$ 5,438,726</u></u>	<u><u>\$ 1,077,698</u></u>



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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>DEBT SERVICE FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 64,407,199</u>	<u>\$ 60,840,105</u>	<u>\$ (3,567,094)</u>
Total Expenditures and Other Financing Uses	<u>89,177,481</u>	<u>71,998,604</u>	<u>17,178,877</u>
Net Change in Fund Balance	(24,770,282)	(11,158,499)	13,611,783
Fund Balances, Beginning of Year	<u>19,969,913</u>	<u>19,969,913</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ (4,800,369)</u></u>	<u><u>\$ 8,811,414</u></u>	<u><u>\$ 13,611,783</u></u>

## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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***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, 2009***

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	<b><i>PERMANENT IMPROVEMENT FUND</i></b>		
	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Positive (Negative)</u></b>
Total Revenues			
and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>96,969</u>	<u>18</u>	<u>96,951</u>
Net Change in Fund Balance	(96,969)	(18)	96,951
Fund Balances, Beginning of Year	<u>96,969</u>	<u>96,969</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 96,951</u></u>	<u><u>\$ 96,951</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>ENERGY CONSERVATION FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>287,599</u>	<u>5,000</u>	<u>282,599</u>
Net Change in Fund Balance	(287,599)	(5,000)	282,599
Fund Balances, Beginning of Year	282,599	282,599	0
Prior Year Encumbrances	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 282,599</u></u>	<u><u>\$ 282,599</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>POWER UP FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>64,415</u>	<u>0</u>	<u>64,415</u>
Net Change in Fund Balance	(64,415)	0	64,415
Fund Balances, Beginning of Year	<u>64,415</u>	<u>64,415</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 64,415</u></u>	<u><u>\$ 64,415</u></u>

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## **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Final Budget</b>	<b>Actual</b>	
Total Revenues			
and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures			
and Other Financing Uses	14,401	0	14,401
Net Change in Fund Balance	(14,401)	0	14,401
Fund Balances, Beginning of Year	14,401	14,401	0
Fund Balances, End of Year	\$ 0	\$ 14,401	\$ 14,401

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>OHIO SCHOOL NET FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 164,324</u>	<u>\$ 48,296</u>	<u>\$ (116,028)</u>
Total Expenditures and Other Financing Uses	<u>321,195</u>	<u>253,463</u>	<u>67,732</u>
Net Change in Fund Balance	(156,871)	(205,167)	(48,296)
Fund Balances, Beginning of Year	(67,731)	(67,731)	0
Prior Year Encumbrances	<u>272,898</u>	<u>272,898</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 48,296</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (48,296)</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 765,731</u>	<u>\$ 0</u>	<u>\$ (765,731)</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	765,731	0	(765,731)
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 765,731</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (765,731)</u></u>



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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>EMERGENCY SCHOOL REPAIR FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	\$ 60,381	\$ 0	\$ (60,381)
Total Expenditures			
and Other Financing Uses	0	0	0
Net Change in Fund Balance	60,381	0	(60,381)
Fund Balances, Beginning of Year	0	0	0
Fund Balances, End of Year	\$ 60,381	\$ 0	\$ (60,381)

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***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, 2009***

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	<b>PERMANENT FUND</b>		<b>Variance with Final Budget Positive (Negative)</b>
	<b>Final Budget</b>	<b>Actual</b>	
Total Revenues and Other Financing Sources	<u>\$ 18,517</u>	<u>\$ 19,114</u>	<u>\$ 597</u>
Total Expenditures and Other Financing Uses	<u>1,086,992</u>	<u>16,000</u>	<u>1,070,992</u>
Net Change in Fund Balance	(1,068,475)	3,114	1,071,589
Fund Balances, Beginning of Year	<u>1,068,475</u>	<u>1,068,475</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1,071,589</u></u>	<u><u>\$ 1,071,589</u></u>



## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Fiduciary Funds***

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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***

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##### **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.

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2009***

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	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Equity in Pooled Cash and Investments	\$39,998	\$64,414	(\$29,496)	\$74,916
Total Assets	<u>\$39,998</u>	<u>\$64,414</u>	<u>(\$29,496)</u>	<u>\$74,916</u>
Liabilities:				
Due to Students	\$39,998	\$64,414	(\$29,496)	\$74,916
Total Liabilities	<u>\$39,998</u>	<u>\$64,414</u>	<u>(\$29,496)</u>	<u>\$74,916</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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## ***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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### ***Capital Assets Used in the Operation of Governmental Funds Schedule by Source June 30, 2009***

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#### Capital Assets

Land	\$36,166,393
Construction in Progress	181,889,927
Land Improvements	9,185,640
Buildings and Improvements	550,617,663
Furniture, Fixtures and Equipment	5,042,196
Vehicles	629,654
	<hr/>
Total Capital Assets	<u><u>\$783,531,473</u></u>

#### Investment in Capital Assets from:

Acquisitions Prior to 1999	\$103,588,903
General Fund	9,677,897
Special Revenue Funds	1,326,068
Special Revenue Funds - Food Service	342,942
Capital Project Funds	659,955,131
Donations	8,640,532
	<hr/>
Total Investment in Capital Assets	<u><u>\$783,531,473</u></u>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2009***

Function and Activity	Land	Construction in Progress	Land Improvements
Instructional Services			
Regular	\$11,001,378	\$0	\$6,535,300
Special	0	0	0
Vocational	75,100	0	0
Support Services:			
Pupils	0	0	26,374
Instructional Staff	0	0	0
Administration	0	0	0
Fiscal Services	0	0	0
Operation and Maintenance of Plant	0	0	468,837
Pupil Transportation	0	0	0
Central	561,000	0	123,000
Extracurricular Activities	0	0	172,800
Other Noninstructional Services	0	0	0
Facility Services	0	0	1,825,814
Site Acquisition	11,519,525	0	0
Architecture and Engineering	0	13,353,061	0
Building Acquisition and Construction	13,009,390	168,536,866	0
Building Improvement	0	0	33,515
Total Capital Assets	<u>\$36,166,393</u>	<u>\$181,889,927</u>	<u>\$9,185,640</u>



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***CINCINNATI CITY SCHOOL DISTRICT, OHIO***

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<u>Buildings and Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$77,024,673	\$1,100,700	\$0	\$95,662,051
0	684,866	0	684,866
13,153,592	384,788	0	13,613,480
0	1,279,452	0	1,305,826
0	254,387	0	254,387
0	48,944	0	48,944
0	298,473	0	298,473
4,814,816	78,112	25,972	5,387,737
0	55,348	0	55,348
6,854,000	843,849	0	8,381,849
325,200	0	0	498,000
0	13,277	342,943	356,220
7,724,879	0	260,739	9,811,432
0	0	0	11,519,525
1,814,443	0	0	15,167,504
437,947,202	0	0	619,493,458
958,858	0	0	992,373
<u>\$550,617,663</u>	<u>\$5,042,196</u>	<u>\$629,654</u>	<u>\$783,531,473</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For the Fiscal Year Ended June 30, 2009***

Function and Activity	June 30, 2008	Additions	Deletions	June 30, 2009
Instructional Services				
Regular	\$117,398,837	\$0	(\$21,736,786)	\$95,662,051
Special	403,378	281,488	0	684,866
Vocational	13,613,480	0	0	13,613,480
Support Services:				
Pupils	1,305,826	0	0	1,305,826
Instructional Staff	254,387	0	0	254,387
Administration	80,544	0	(31,600)	48,944
Fiscal Services	298,473	0	0	298,473
Operation and Maintenance of Plant	6,417,326	0	(1,029,589)	5,387,737
Pupil Transportation	55,348	0	0	55,348
Central	8,381,849	0	0	8,381,849
Extracurricular Activities	498,000	0	0	498,000
Other Noninstructional Services	580,771	0	(224,551)	356,220
Facility Services	10,047,330	0	(235,898)	9,811,432
Site Acquisition	10,947,830	571,695	0	11,519,525
Architecture and Engineering	15,192,775	0	(25,271)	15,167,504
Building Acquisition and Construction	503,664,745	228,725,639	(112,896,926)	619,493,458
Building Improvement	992,373	0	0	992,373
Total Capital Assets	<u>\$690,133,272</u>	<u>\$229,578,822</u>	<u>(\$136,180,621)</u>	<u>\$783,531,473</u>