

Cincinnati City School District

Hamilton County

Single Audit

July 1, 2011 through June 30, 2012

Fiscal Year Audited Under GAGAS: 2012



**Caudill & Associates, CPA**

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# Dave Yost • Auditor of State

Board of Education  
Cincinnati City School District  
2651 Burnet Ave  
P.O. Box 5384  
Cincinnati, Ohio 45219

We have reviewed the *Independent Auditor's Report* of the Cincinnati City School District, Hamilton County, prepared by Caudill & Associates, CPAs, for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

February 28, 2013

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**CINCINNATI CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

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**CINCINNATI CITY SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Federal Receipts	Non-Cash Receipts	Federal Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
Child Nutrition Cluster :					
<i>Passed Through Ohio Department of Education:</i>					
School Breakfast Program	10.553	3,821,618	-	3,821,618	-
National School Lunch Program	10.555	9,116,957	574,223	9,116,957	574,223
Summer Food Service Program for Children	10.559	389,664	-	389,664	-
Team Nutrition Training Grants	10.574	-	-	1,000	-
<i>Total Child Nutrition Cluster</i>		<u>13,328,239</u>	<u>574,223</u>	<u>13,329,239</u>	<u>574,223</u>
Fresh Fruit and Vegetable Program	10.582	677,785	-	677,785	-
Child and Adult Care Food Program	10.558	94,757	-	94,757	-
<b>Total U.S. Department of Agriculture</b>		<u>14,100,781</u>	<u>574,223</u>	<u>14,101,781</u>	<u>574,223</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
Impact Aid Cluster					
Impact Aid	84.041	30,113	-	39,697	-
<b>Total Impact Aid Cluster</b>		<u>30,113</u>	<u>-</u>	<u>39,697</u>	<u>-</u>
<i>Passed Through Ohio Department of Education:</i>					
<i>Title I Part A Cluster:</i>					
Title I Grants to Local Education Agencies	84.010	21,963,855	-	21,929,128	-
ARRA - Title I Grants to Local Education Agencies	84.389	1,985,745	-	1,760,381	-
<b>Title I Part A Cluster:</b>		<u>23,949,600</u>	<u>-</u>	<u>23,689,509</u>	<u>-</u>
<i>Special Education Cluster:</i>					
Special Education Grants to States	84.027	10,126,869	-	9,861,635	-
ARRA - Special Education Grants to States	84.391	433,498	-	253,572	-
Special Education Preschool Grants	84.173	213,834	-	211,065	-
ARRA - Special Education - Preschool Grants	84.392	11,781	-	1,248	-
<b>Total Special Education Cluster</b>		<u>10,785,982</u>	<u>-</u>	<u>10,327,520</u>	<u>-</u>
<i>Education Technology State Grants Cluster</i>					
Education Technology State Grants (Enhancing Education through Technology Program)	84.318	79,915	-	136,818	-
ARRA - Education Technology State Grants	84.386	40,309	-	-	-
<b>Education Technology State Grants Cluster:</b>		<u>120,224</u>	<u>-</u>	<u>136,818</u>	<u>-</u>
<i>Teacher Incentive Fund Cluster</i>					
Teacher Incentive Fund	84.374	8,500	-	8,500	-
ARRA - Teacher Incentive Fund	84.385	1,149,892	-	1,379,860	-
<b>Teacher Incentive Fund Cluster:</b>		<u>1,158,392</u>	<u>-</u>	<u>1,388,360</u>	<u>-</u>
<i>School Improvement Grants Cluster</i>					
ARRA - School Improvement Grant	84.388	6,017,738	-	6,349,984	-
<b>School Improvement Grants Cluster</b>		<u>6,017,738</u>	<u>-</u>	<u>6,349,984</u>	<u>-</u>
<i>Education of Homeless Children and Youth Cluster</i>					
Education of Homeless Children and Youth	84.196	331,140	-	334,461	-
ARRA - Education of Homeless Children and Youth	84.387	9,764	-	7,708	-
<b>State Fiscal Stabilization Fund Cluster</b>		<u>340,904</u>	<u>-</u>	<u>342,169</u>	<u>-</u>
Adult Education - Basic Grants to States	84.002	1,118,178	-	1,166,607	-
Career and Technical Education - Basic Grants To States	84.048	1,191,361	-	1,302,956	-
Safe and Drug-Free Schools and Communities State Grants	84.186	95,797	-	79,362	-
Fund for the Improvement of Education	84.215	189,241	-	169,047	-
Twenty-First Century Community Learning Centers	84.287	2,279,203	-	2,157,493	-
Foreign Language Assistance Program	84.293	179,227	-	248,265	-
English Language Acquisition Grants	84.365	240,625	-	340,770	-
Improving Teacher Quality State Grants	84.367	3,938,594	-	3,682,464	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top Incentive Grants, Recovery Act	84.395	1,355,829	-	1,472,867	-
Education Jobs Fund	84.410	4,726,921	-	4,726,921	-
<b>Total U.S. Department Of Education</b>		<u>57,717,929</u>	<u>-</u>	<u>57,620,809</u>	<u>-</u>
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Education and Human Resources	47.076	141,867	-	154,667	-
<b>Total National Science Foundation</b>		<u>141,867</u>	<u>-</u>	<u>154,667</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>					
<i>Passed through the Ohio Department of Jobs &amp; Family Services</i>					
Maternal and Child Health Federal Consolidated Programs	93.110	9,258	-	8,913	-
		<u>9,258</u>	<u>-</u>	<u>8,913</u>	<u>-</u>
<i>Passed through the Cincinnati-Hamilton County Community Action Agency</i>					
Head Start	93.600	3,195,845	-	3,439,851	-
<b>Total US Department of Health &amp; Human Services</b>		<u>3,205,103</u>	<u>-</u>	<u>3,448,764</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
Garrett A. Morgan Technology and Transportation Education Program (GAMTTEP)	20.215	40,809	-	66,994	-
		<u>40,809</u>	<u>-</u>	<u>66,994</u>	<u>-</u>
<b>Total US Department of Transportation</b>		<u>40,809</u>	<u>-</u>	<u>66,994</u>	<u>-</u>
<b>Totals Federal Awards</b>		<u>75,206,489</u>	<u>574,223</u>	<u>75,393,015</u>	<u>574,223</u>

**CINCINNATI CITY SCHOOLS**

**HAMILTON COUNTY, OHIO**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

**Note A - SIGNIFICANT ACCOUNTING POLICIES**

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

**Note B - FOOD DONATION**

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

**Note C - TRANSFERS**

The District must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education's approval, the District can transfer unspent federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance.

During fiscal year 2012, the Ohio Department of Education authorized the following transfers:

Program Title	Pass Through Entity Number	Federal CFDA Number	Transfer Out	Transfer In
Title I - Grants to Local Educational Agencies Schoolwide Pool	C1 n/a	84.010 n/a	6,195,456	6,195,456
Special Education - Grants to States Schoolwide Pool	6B n/a	84.027 n/a	2,161,131	2,161,131
Improving Teacher Quality - Grants to States Schoolwide Pool	TR n/a	84.367 n/a	2,136,805	2,136,805

**Note D - SCHOOL-WIDE POOL**

The School District is the first in the State of Ohio to participate in the School-Wide Pool. The School-Wide Pool follows guidance from OMB Circular A-133.

Program Title	Pass Through Entity Number	Federal CFDA Number	Fund No.	Allocated Amount
General Fund			0001	110,594,631
Title I - Grants to Local Educational Agencies	C1	84.010	0572	6,195,456
Title IIA - Agencies Improving Teacher Quality- Reducing Class Size	TR	84.367	0590	2,136,805
Special Education - Grants to States	6B	84.027	0516	2,161,131
Total School-Wide Pool				<u>121,088,023</u>





## Caudill & Associates, CPA

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Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Cincinnati City School District  
Hamilton County  
2651 Burnet Ave  
Cincinnati, Ohio 45219

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cincinnati City School District, Hamilton County, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 07, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

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

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

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

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Board of Education  
Cincinnati City School District

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*

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

*Caudill & Associates, CPA*

Caudill & Associates, CPA  
December 07, 2012



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### **Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133**

Cincinnati City School District  
Hamilton County  
2651 Burnet Ave  
Cincinnati, Ohio 45219

To the Board of Education:

#### **Compliance**

We have audited the compliance of Cincinnati City School District, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Cincinnati City School District's major federal program for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Government's compliance based on our audit.

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

In our opinion, Cincinnati City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2012.

#### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

**Internal Control Over Compliance (Continued)**

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

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

**Federal Awards Receipts and Expenditures Schedule**

We have also audited the financials statements of the governmental activities, each major fund and the aggregate remaining fund information of Cincinnati City School District, as of and for the year ended June 30, 2012 and have issued our report thereon dated December 07, 2012. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with the auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Caudill & Associates, CPA*

Caudill & Associates, CPA  
December 07, 2012

**CINCINNATI CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

**FOR THE YEAR ENDED JUNE 30, 2012**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other Significant Deficiencies in internal controls reported at the financial statement level (GAGAS)?</b>	None Reported
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	None Reported
<i>(d)(1)(iv)</i>	<b>Were there any other Significant Deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No

**CINCINNATI CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 §.505**

<b>1. SUMMARY OF AUDITOR'S RESULTS (Continued)</b>
--

**FOR THE YEAR ENDED JUNE 30, 2012**

<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<p><i>Child Nutrition Cluster:</i> School Breakfast Program CFDA # 10.553, National School Lunch Program CFDA # 10.555, Summer Food Service Program for Children CFDA # 10.559, Nutrition Education and Training Program CFDA #10.574</p> <p><i>Special Education Cluster:</i> Special Education Grant to States CFDA #84.027, ARRA – Special Education Grants to States CFDA #84.391, Special Education – Preschool Grants, CFDA #84.173, ARRA – Special Education – Preschool Grants, CFDA #84.392</p> <p>Improving Teacher Quality CFDA #84.367</p> <p><i>Teacher Incentive Fund Cluster:</i> Teacher Incentive Fund CFDA #84.374, ARRA – Teacher Incentive Fund CFDA # 84.385</p> <p><i>School Improvement Grants Cluster:</i> ARRA – School Improvement Grants CFDA # 84.388</p> <p>ARRA – Race to the Top – CFDA # 84.395</p> <p>Education Jobs Grant CFDA # 84.410</p>
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	\$2,279,017
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

**CINCINNATI CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
*OMB CIRCULAR A-133 §.505***

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

None Noted.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None Noted.

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Hamilton County, OH

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012





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

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*Hamilton County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

*Prepared by:*  
Diana C. Whitt  
Treasurer/CFO



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HAMILTON COUNTY, OHIO

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**III**

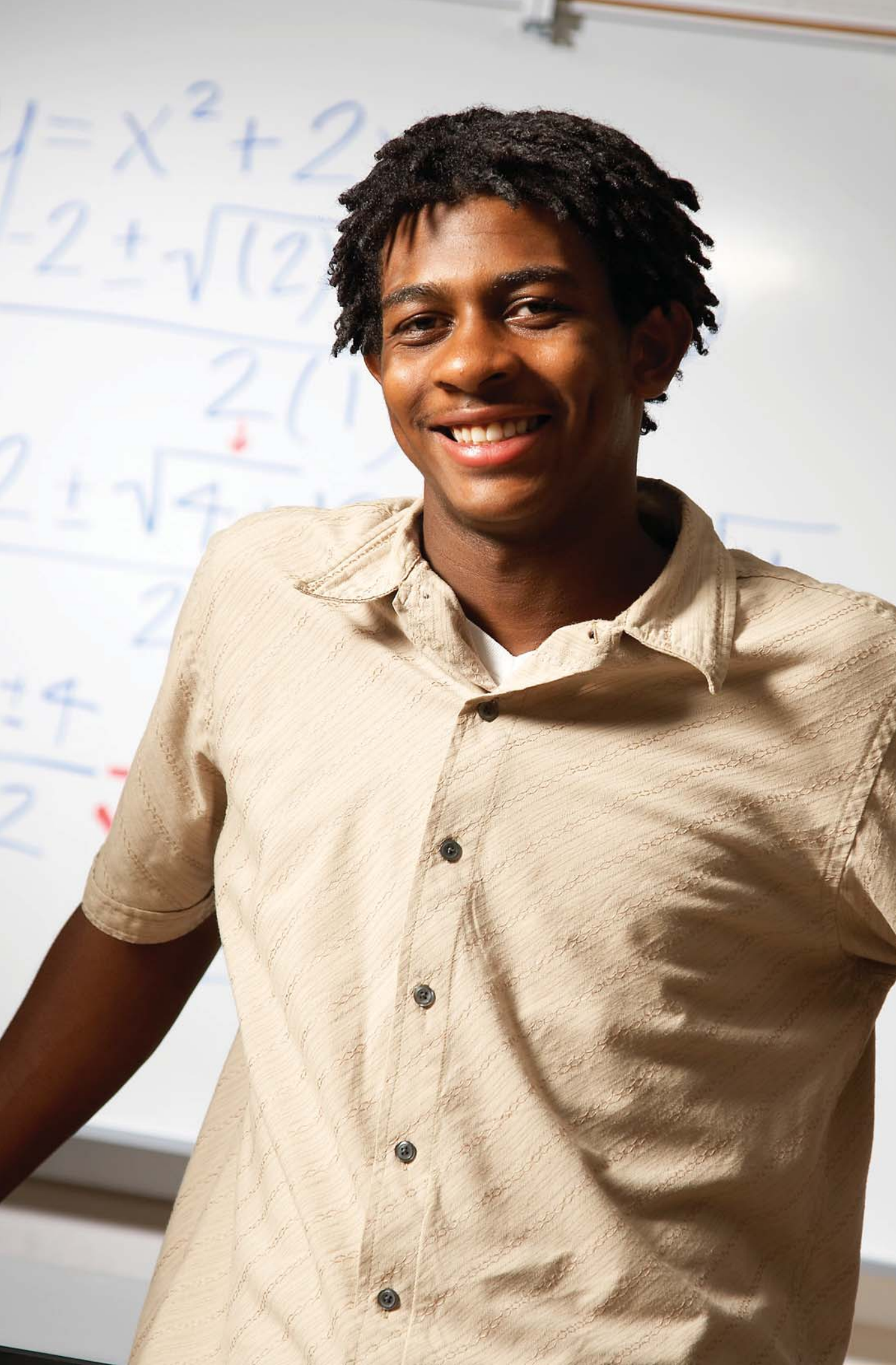
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# Introductory Section





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

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**Board of Education ★ City School District of the City of Cincinnati ★ Office of the Treasurer  
PO Box 5384 ★ Cincinnati, OH 45201-5384 ★ Phone: 1-513-363-0425 ★ FAX: 1-513-363-0415**

December 7, 2012

To the Honorable Board of Education and  
Citizens of the Cincinnati City School District

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Board of Education of the Cincinnati City School District (the "District") for the fiscal year ended June 30, 2012. This report was prepared by the Office of the Treasurer/CFO and includes the report of the independent auditor, Caudill & Associates. The independent auditors' report concludes that the District's financial statements for the year ended June 30, 2012 are prepared in conformity with generally accepted accounting principles. The independent auditor's report is included as the first component of the financial section of this report.

This report also contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the District. The responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the office of the Treasurer/CFO. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included herein.

The District uses Oracle Public Sector General Ledger, an automated, on-line general ledger accounting system, which provides the capability to prepare financial information based on generally accepted accounting principles (GAAP) for governments. Oracle Public Sector General Ledger is the basis for the District's accounting, budgetary, purchasing and fixed assets controls. The financial statements contained in the CAFR have been prepared from this system, implemented by the Treasurer's office in January 1995 and upgraded to the latest version 11.5.10 release in June 2005.

Internal accounting controls are an integral part of this system and are designed to achieve the fundamental objectives of safeguarding assets, providing reasonable assurance that financial transactions are properly recorded, and ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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The MD&A provides a narrative introduction, overview and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors' Report. This Report can be found on the District's web site: <http://www.cps-k12.org>.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (June, 2003 Revision)*. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, are included in a separately issued single audit report.

### ***Profile of the District***

The District includes all of the City of Cincinnati, Amberley Village, Cheviot, Golf Manor, most of the City of Silverton, a part of Fairfax, part of Wyoming and parts of Anderson, Columbia, Delhi, Green and Springfield Townships with a total area of approximately 90 square miles.

The District operates 54 schools: 39 elementary schools and 12 high schools and 3 combined elementary and high school. Several high school buildings contain more than one school. Through the use of a five-year building and maintenance plan, all facilities are kept in the best operating and physical condition possible. The District has implemented a \$56 million energy conservation program and is in the ninth year of a \$1.1 billion, 10-year facilities improvement program.

The District's average daily student enrollment (K-12) for the 2011-2012 year was 30,756 students. The District served 65% of 48,692 of school aged children residing within the boundaries. The majority of enrolled students were members of ethnic minorities -- in the 2011-2012 school year, 65.4 percent of students were African-American, .9 percent were Asian, 25.3 percent were Caucasian white, 5.5 percent were other/multiracial, and 2.9 percent were Hispanic.

A significant majority of students in the District – 75.02 percent were on free or reduced lunch plans during the 2011-2012 school year. Eighty four percent of the District's elementary schools served student populations that were 75 percent or higher in poverty. Twenty-one percent of the students attending were served with Special Education needs.

Transportation was provided daily for 15,062 public students, 3,551 for charter students and 2,371 for non-public students. Buses traveled an average of 27,775 miles each day. A self-supporting Food Services Department served an average of 19,131 lunches and 13,045 breakfasts per day for the 2011-2012 school year.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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The District offers a comprehensive academic curriculum through the following programs: college preparatory classes, advanced placement courses, gifted education vocational programs and a full range of services in special education. The District provides tutorial help, resource rooms, speech/language therapy, psychological services and counseling. In addition to academic and related services, the District also offers students the opportunity to participate in a wide range of extracurricular activities to extend their learning and increase their enjoyment of school.

The Board of Education of the Cincinnati City School District (Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State of Ohio (Ohio Revised Code). The Board is comprised of seven (7) members who are elected for overlapping four-year terms. The Board members during the fiscal year ended June 30, 2012 were:

	<u>Current Term Commenced</u>	<u>Current Term Expires</u>
Eve Bolton, President	01/01/08	12/31/15
Vanessa White, Vice President	01/01/10	12/31/13
Melanie Bates	01/01/10	12/31/13
Catherine D. Ingram	01/01/10	12/31/13
Alexander P. Kuhns	01/01/12	12/31/15
A. Chris Nelms	01/01/08	12/31/15
Eileen Cooper Reed	01/01/10	12/31/13

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. The Superintendent is appointed by the Board for a term not longer than five years and is responsible for administering Board-adopted policies, expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the schools governed by the Board.

The Cincinnati Board of Education named Mary A. Ronan as the Superintendent effective April 16, 2010 for a term expiring July 31, 2012. The Cincinnati Board of Education named Mary A. Ronan as the Superintendent effective April 16, 2010 for a term expiring July 31, 2012. In spring of 2012, the school board extended her contract for an additional three-period beginning August 2, 2012 and ending July 31, 2015.

Mrs. Ronan began her more than 30-year career with Cincinnati Public Schools as a math and science teacher at the former Merry Middle School – a building that now houses her office as Superintendent in the district’s Education Center.

A native Cincinnati, her service to CPS’ schoolchildren features a diverse background in teaching and administration in neighborhood and magnet school settings at both elementary and high schools. As principal of Kilgour Elementary School, she was honored by the U.S. Department of Education with the designation of Kilgour in 2001 as a National Blue Ribbon School.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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Superintendent Mary Ronan's experiences in district administration include appointments as assistant superintendent and director of schools, roles in which she worked with principals to enhance leadership skills. At both the school and central administration levels, she has earned a reputation for building strong, supportive and open relationships with her staff as well as parents and community stakeholders. In 2005, she received the Excellence in Educational Leadership Award from The University Council for Educational Administration.

Mrs. Ronan has been widely credited with leading Cincinnati Public Schools to become Ohio's highest-performing urban school district. Eighty-one percent of the district's schools are rated as Excellent, Effective or in Continuous Improvement on the Ohio Report Card, the state's annual rating system. According to an analysis by Battelle for Kids, CPS ranked in the top 5 percent of districts statewide in the amount of learning growth experienced by students during the 2010-11 school year.

Mrs. Ronan's priorities have been to enhance collaboration and transparency while accelerating academic achievement. She has introduced new strategies designed to increase student performance, including the *Elementary Initiative: Ready for High School*, which provides intensive support for the district's 16 lowest-performing elementary schools; their successful academic turnaround contributed to the district's overall progress. At the high school level, Mrs. Ronan has focused on increasing the academic rigor of course offerings and expanding college access.

She holds bachelor's degrees in biology, education and philosophy, and a master's degree in business administration. She serves on numerous boards of civic, cultural, educational and social-service organizations.

Mrs. Ronan considers it a great privilege to lead Cincinnati Public Schools in preparing the next generation of Cincinnati's young people with the skills required by our fast-paced, technologically demanding global economy. With the assistance of record grants totaling \$25.3-million from the GE Foundation, the district has worked to improve math and science education and advance skills in STEM (science, technology, engineering and mathematics) and to transition to new, rigorous Common Core academic standards in math and English arts.

The Treasurer/CFO is appointed by the Board for a term not longer than five years and serves as the chief financial officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education. The Treasurer is responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law.

During the 2011-2012 fiscal year the Treasurer/CFO of the District was Mrs. Diana C. Whitt. The Board appointed Mrs. Whitt as Treasurer/CFO for a two-year term commencing September 1, 2011 and ending July 31, 2013. Mrs. Whitt has extensive experience that includes being the District Treasurer and Chief Financial Officer at Trotwood Madison City Schools near Dayton, Ohio, September 2002 thru September 2011. Mrs. Whitt also has corporate experience in financial management, consulting and sales. Mrs. Whitt received her B.A. Degree from Notre Dame College in South Euclid, Ohio and her Masters Degree from the University of Phoenix.

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

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2012***

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### **Local Economic Condition and Outlook**

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 funds, such as lunch and special classes are funded for their expenditures by designated State and Federal grants.

The City of Cincinnati, founded in 1788 and incorporated in 1819, is the hub of a metropolitan area ranking second in Ohio and sixteenth in the United States in value of manufacturing output. Located strategically on the Ohio River, it has developed into a major industrial and shipping center. As a major shipping route, the Ohio River handles as much tonnage as the St. Lawrence Seaway and the Panama Canal combined.

A transportation and industrial center since the early development of the territory west of the Appalachians, the Cincinnati Metropolitan Area has developed into a major center for insurance and finance companies; wholesaling and retailing; government installation, medical services, and service industries as well as manufacturing.

Metropolitan Cincinnati was expanded to include 15 counties: Hamilton, Warren, Clermont, Butler and Brown counties in Ohio; Dearborn, Franklin and Ohio counties in Indiana; and Kenton, Boone, Bracken, Campbell, Grant, Gallatin and Pendleton counties in Kentucky. There are approximately 11.9 million net square feet of office space in the downtown Cincinnati area and 25.1 million net square feet in suburban office buildings and parks. There are approximately 273 million square feet of industrial space. The retail market includes more than 50 million square feet regionally (3.8 million square feet downtown).

Among the Metropolitan Area's more prominent manufacturing groups are transportation equipment, which includes aircraft engines and motor vehicle parts; food and kindred products; metal working and general industrial machinery; chemicals; fabricated metal products; and printing and publishing. This diverse economic base continues to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle. Total wage and salary employment in Hamilton County was estimated at 484,171 in 2012 by the U.S. Bureau of Labor Statistics. The U.S. Bureau of Labor Statistics estimated total employment in Hamilton County at 484,110 at June 30, 2012. This 91.8% employment rate is slightly below the State of Ohio employment rate of 92.6% at June 30, 2012 and trails the national rate of 91.8% at this date.

More than half of the nation's population, manufacturers, and purchasing power are located within 600 miles of Greater Cincinnati. The corporate headquarters of numerous firms are located in the Metropolitan Area, including nine Fortune 500 corporations: Kroger Company, Procter & Gamble, Macy's, Ashland, Fifth Third Bancorp, Convergys, Western & Southern Financial Group, Omnicare and American Financial Group. The national headquarters for Sara Lee Foods and the North American headquarters for Lenscrafters are also located in the area.

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

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2012***

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The Metropolitan Area is a growing center for international business, with approximately 1,000 firms engaged in international trade. Metropolitan Area companies annually generate sales of more than \$6.7 billion to customers outside the U.S. Major export products include jet engines, plastics, machinery, computers and software technology and consumer goods. Nearly 300 Greater Cincinnati firms are owned by foreign firms from Japan, England, Western Europe and Canada, among other countries. Twenty-five percent (25%) of all jobs in the Metropolitan Area are related to exporting. Cincinnati exports more than any other city in Ohio and is ranked twenty-first (21<sup>st</sup>) in the United States.

### **Long-term Financial Planning**

During FY 2007 the District fully implemented the Fiscal Responsibility Plan. The District continues to identify and execute further opportunities to reduce costs and right-size staffing levels.

The District continues to see the results of its long-term financial planning. The District met or exceeded its budget goal for the sixth straight year. We were again able to meet this goal because of our continuing effort to right-size the District, aggressively monitoring and evaluating spending and the District is making aggressive efforts to attract and retain students.

### ***Facilities Master Plan (FMP) Surges Forward***

The District's ten-year, \$985 million Facilities Master Plan (FMP) officially launched with the passage of a \$480 million bond issue in May 2003. During the period from January 2005 thru June 2012, the District has either renovated or constructed a total of 39 schools. By the end of 2012, five more schools will be completed to make a total of 44. By fall 2013 all but 1 of the remaining 6 additional schools in construction will be finished and the last building will be completed in 2014 to complete the Facilities Master Plan. The District's new schools are distinctive, eye-catching buildings, with technology-ready classrooms and energy efficient features. The buildings provide an abundance of natural light and include outdoor educational areas. As state-of-the-art, 21<sup>st</sup> century schoolhouses, these buildings quickly will become local landmarks and community anchors. The District's FMP is now fully funded.

The District's 10-year rebuilding plan will generate an economic impact of \$2.35 billion for Greater Cincinnati, including creating 2,339 jobs and \$718 million in wages, according to a University of Cincinnati study. To help more businesses get a piece of that pie, the district has revamped its policies to generate more opportunities for Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). The District's expanded Supplier Diversity Program is working to cultivate new relationships with a broader base of businesses. Beginning February 2010 a new initiative increased MBE participation to twenty-two percent (22%) for the last 13 projects bid. We are meeting the Board's goal of 20-25% for MBE participation. Our participation levels exceed the performance of other public capital projects in the area.



## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Letter of Transmittal* *For the Fiscal Year Ended June 30, 2012*

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#### **Awards and Acknowledgments**

***GFOA Certificate of Achievement*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The June 30, 2011 CAFR was the twelfth consecutive CAFR prepared by the District to receive this prestigious award.

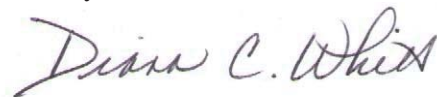
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

***Independent Audit*** State statute requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The Auditor of State has contracted the District Audit for fiscal year ended June 30, 2012 to Caudill & Associates, an independent certified public accounting firm. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, the 1996 amendments thereto, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

***Acknowledgments*** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Treasurer's Department. I would like to express my sincere appreciation to Mrs. Teresa A. Johnson, CPA, Assistant Treasurer/Controller and to all other members of the Department. I am also grateful for the professional services of Donald J. Schonhardt & Associates and Bastin & Company, LLC, for their assistance in preparing this report. Due credit should also be given to the Board of Education and the Superintendent for their leadership and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Diana C. Whitt  
Treasurer/CFO

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

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### ***List of Principal Officials June 30, 2012***

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#### **Members of the Board of Education:**

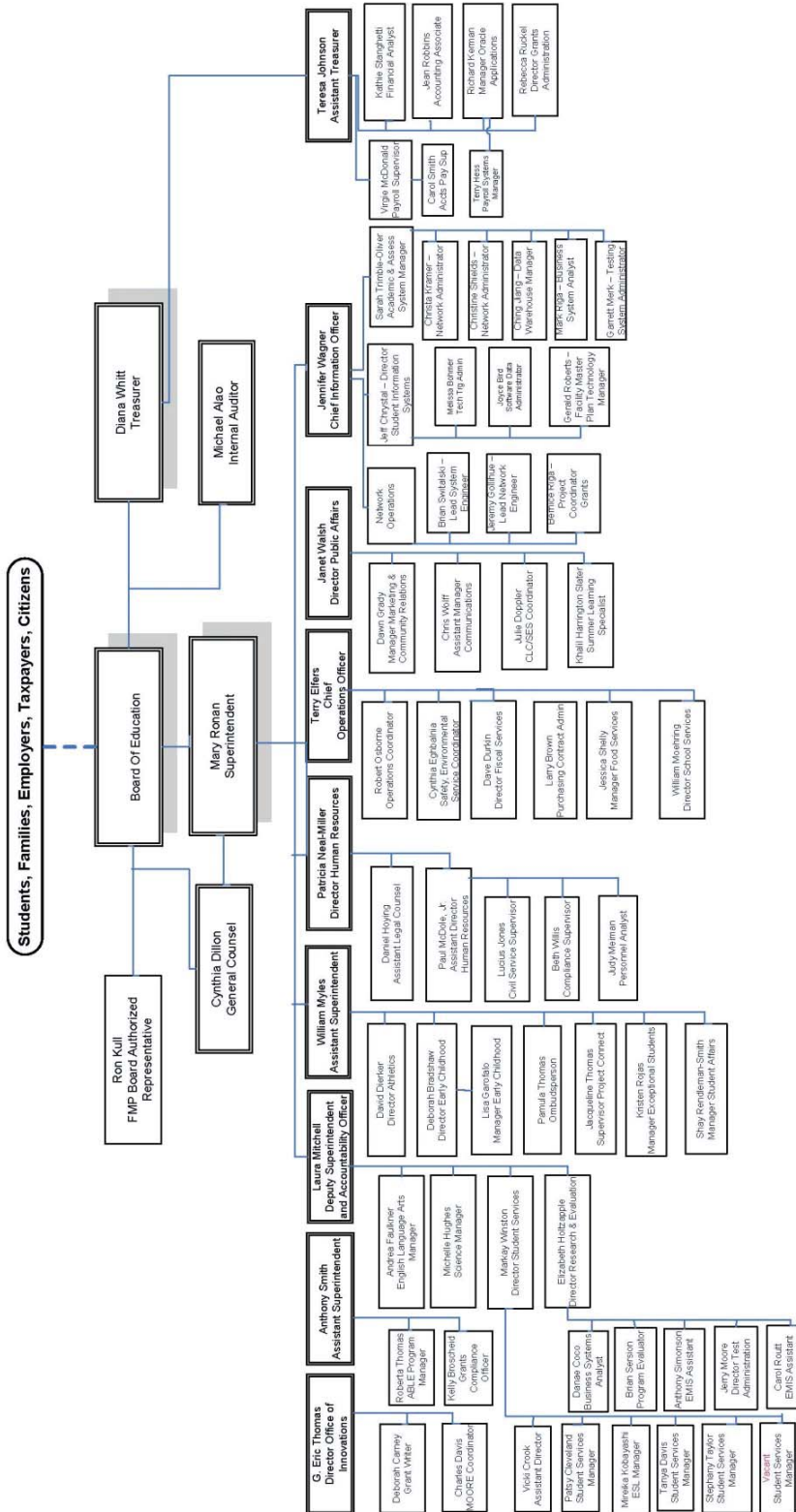
<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Eve Bolton	President	December 31, 2015
Vanessa White	Vice President	December 31, 2013
Melanie Bates	Member	December 31, 2013
Catherine D. Ingram	Member	December 31, 2013
Alexander P. Kuhns	Member	December 31, 2015
A. Chris Nelms	Member	December 31, 2015
Eileen Cooper Reed	Member	December 31, 2013

#### **District Administration:**

<b>Name</b>	<b>Title</b>
Mary Ronan	Superintendent
Diana C. Whitt	Treasurer/CFO
C. Laura Mitchell	Deputy Superintendent
William M. Myles	Assistant Superintendent
Cynthia L. Dillon	General Counsel
Terry Elfers	Chief Operations Officer
Jennifer M. Wagner	Chief Information Officer
Janet Walsh	Director of Public Affairs
Teresa A. Johnson, CPA	Assistant Treasurer/Controller
Patricia Neal-Miller	Director of Human Resources
Michael Alao, CFE, CIA, CPA	Internal Auditor

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## School District Organizational Chart For the Fiscal Year Ended June 30, 2012



*CINCINNATI CITY SCHOOL DISTRICT, OHIO*

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*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to  
Cincinnati City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Enos*

Executive Director



# Financial Section







# Caudill & Associates, CPA

725 5<sup>th</sup> Street Portsmouth, OH 45662  
P: 740.353.5171 | F: 740.353.3749  
www.caudillcpa.com

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

## Independent Auditor's Report

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cincinnati City School District, Hamilton County, Ohio, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Cincinnati City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cincinnati City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cincinnati City School District, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Schoolwide Building Program Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Education  
Cincinnati City School District

Independent Auditor's Report (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 07, 2012, on our consideration of the Cincinnati City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

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

*Caudill & Associates, CPA*

Caudill & Associates, CPA  
December 07, 2012



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

*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, 2012. 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 2012 are as follows:**

General revenues accounted for \$485,950,371 in revenue or 81.8% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$107,898,617 or 18.2% of total revenues of \$593,848,988.

The District had \$598,028,007 in expenses related to governmental activities; only \$107,898,617 of these expenses was offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$272,309,816, revenue in lieu of taxes totaling \$21,431,724, unrestricted state and federal revenues totaling \$185,176,443, investment earnings totaling \$608,212 plus prior year carry over revenues) were adequate to provide for these programs.

The assets of the District exceeded its liabilities at June 30, 2012 by \$611,748,361 (net assets). Of this amount, \$167,348,569 is considered unrestricted and may be used to meet the District's on-going obligations.

The District's total net assets decreased \$4,179,019 in fiscal year 2012, which represents a .7% decrease from the fiscal year 2011 balance. Revenues decreased by 12.4% and expenses increased .3% from prior year amounts. Virtually all of the revenues decreases arose from reduced intergovernmental revenues regardless of the classification (operating grants, capital grants or grants not restricted to specific programs). Expense levels increased at modest levels in 2012.

Among major funds, the general fund had \$432,123,899 in revenue, \$319,786,603 in expenditures and (\$128,862,567) in net other financing uses, resulting in the general fund balance decreasing by \$16,525,271 to \$131,505,880.

## **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, 2012*

*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, 2012*

*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.

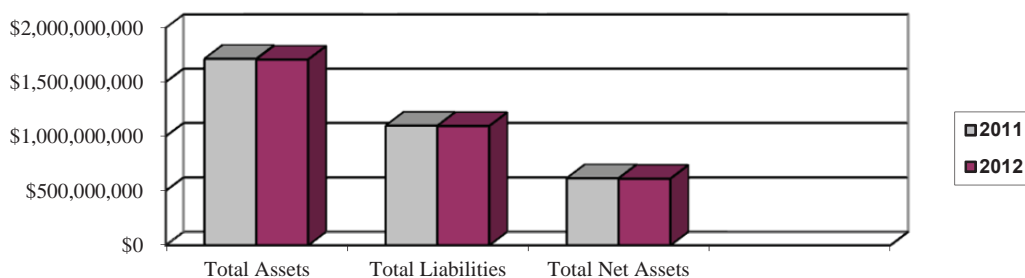
**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. 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 2012 compared to 2011:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Current and other assets	\$710,700,984	\$819,947,362	(\$109,246,378)
Capital assets, Net	996,649,312	894,567,072	102,082,240
Total assets	1,707,350,296	1,714,514,434	(7,164,138)
Long-term debt outstanding	797,754,592	794,310,009	3,444,583
Other liabilities	297,847,343	304,277,045	(6,429,702)
Total liabilities	1,095,601,935	1,098,587,054	(2,985,119)
Net assets			
Invested in capital assets, net of related debt	389,607,776	407,388,120	(17,780,344)
Restricted	54,792,016	19,363,096	35,428,920
Unrestricted	167,348,569	189,176,164	(21,827,595)
Total net assets	\$611,748,361	\$615,927,380	(\$4,179,019)

**Cincinnati City Schools Governmental Activities**



## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

*Unaudited*

*Changes in Net Assets* – The following table shows the net assets for the fiscal year 2012 compared to 2011:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Revenues			
Program revenues:			
Charges for Services	\$15,929,681	\$21,964,268	(\$6,034,587)
Operating Grants	86,060,381	107,155,658	(21,095,277)
Capital Grants	5,908,555	56,581,124	(50,672,569)
General revenues:			
Property Taxes	272,309,816	265,290,427	7,019,389
Revenue in Lieu of Taxes	21,431,724	23,453,928	(2,022,204)
Grants and Entitlements	185,176,443	197,164,514	(11,988,071)
Other	7,032,388	6,247,045	785,343
Total revenues	<u>593,848,988</u>	<u>677,856,964</u>	<u>(84,007,976)</u>
Program Expenses			
Instruction:			
Regular	221,930,107	212,617,087	9,313,020
Special	73,856,224	77,918,902	(4,062,678)
Vocational	3,793,083	7,046,640	(3,253,557)
Other	577,036	613,450	(36,414)
Support Services:			
Pupils	27,942,924	29,702,228	(1,759,304)
Instructional Staff	46,927,907	49,720,996	(2,793,089)
Board of Education	398,130	343,414	54,716
Administration	29,292,929	35,904,173	(6,611,244)
Fiscal Services	7,369,914	7,006,980	362,934
Business	1,607,145	1,244,023	363,122
Operation and Maintenance of Plant	47,844,700	47,998,030	(153,330)
Pupil Transportation	30,269,005	27,155,167	3,113,838
Central	18,435,513	15,024,579	3,410,934
Non-Instructional Services	46,614,539	43,667,894	2,946,645
Extracurricular Activities	7,140,306	5,605,603	1,534,703
Interest and Fiscal Charges	34,028,545	34,495,353	(466,808)
Total expenses	<u>598,028,007</u>	<u>596,064,519</u>	<u>1,963,488</u>
Total Change in Net Assets	(4,179,019)	81,792,445	(85,971,464)
Beginning Net Assets	<u>615,927,380</u>	<u>534,134,935</u>	<u>81,792,445</u>
Ending Net Assets	<u><u>\$611,748,361</u></u>	<u><u>\$615,927,380</u></u>	<u><u>(\$4,179,019)</u></u>

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

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012***

***Unaudited***

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The most significant reasons for the \$4.2 million decrease in Net Assets from FY 2011 to FY 2012 are as follows:

The District's total net assets decreased \$4,179,019 in fiscal year 2012, representing a .7% decrease from the ending fiscal year 2011 net asset balance. In comparison, total net assets increased in fiscal year 2011 by \$81,792,445.

The majority of the decrease in fiscal year 2012 net assets is attributable to a large decrease in grant revenues in 2012. The District did not receive any additional monies from the Ohio School Facilities Commission (OSFC) the various segments under its Master Facilities Plan.

Property taxes revenues increased \$7 million or 2.6%. All grant revenues combined decreased \$83.8 million.

Total expenses increased at a very moderate .3% pace.

### ***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.

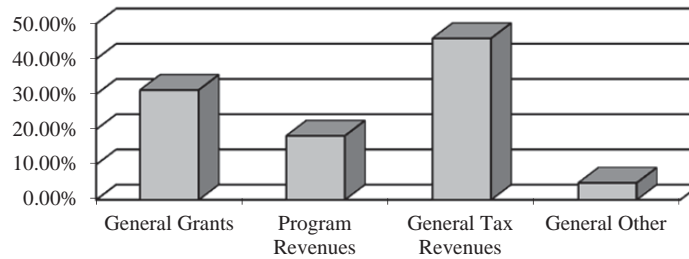
Property taxes made up 45.86% of revenues for governmental activities for the Cincinnati City School District in fiscal year 2012. The District's reliance upon tax revenues is demonstrated by the following table and graph:

Revenue Sources	2012	Percent of Total
General Grants	\$185,176,443	31.18%
Program Revenues	107,898,617	18.17%
General Tax Revenues	272,309,816	45.86%
General Other	28,464,112	4.79%
Total Revenue	<u>\$593,848,988</u>	<u>100.00%</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

*Unaudited*



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$316,320,116, which is less than last year's total of \$413,221,192. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2012 and 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General	\$131,505,880	\$148,031,151	(\$16,525,271)
Schoolwide Building Program	80,440	(321,073)	401,513
Debt Service	28,654,095	(282,873)	28,936,968
Classroom Facilities			
Capital Projects	79,363,954	213,986,898	(134,622,944)
Other Governmental	76,715,747	51,807,089	24,908,658
<b>Total</b>	<b>\$316,320,116</b>	<b>\$413,221,192</b>	<b>(\$96,901,076)</b>

The District's General Fund's fund balance decreased during Fiscal year 2012 by \$16.5 million as revenues fell short of the total of expenditures and transfers in/out from/to other funds. By comparison, fiscal year 2011 increased by \$29.3 million. Revenues for 2012 decreased by \$29.7 million largely due to decreased tax and intergovernmental- state revenues. Operating expenditures increased \$25.5 million. Net transfers out to other funds decreased \$9.3 million.

The Schoolwide Building Project Fund was established during 2008 to pool Federal, state and local funds in order to upgrade the overall instructional program of a school building where at least 40 percent of the children are from low-income families. Funds are transferred when cash is required rather than when accruals occur.

The increase in the Debt Service Fund is primarily due to an increase in tax revenue collections by Hamilton County and lower debt service expenditures.

The decrease in the Classroom Facilities Capital Projects Fund is primarily due to construction activity. The FMP program activity increased as four new schools became operational in 2012 as well as continuing construction in progress efforts on other locations included in the FMP.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012**

**Unaudited**

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

	2012 Revenues	2011 Revenues	Increase (Decrease)
Taxes	\$235,891,856	\$249,982,815	(\$14,090,959)
Tuition	1,558,235	1,123,004	435,231
In Lieu of Taxes	8,013,617	7,534,813	478,804
Investment Earnings	276,599	486,071	(209,472)
Intergovernmental - State	184,739,816	196,917,974	(12,178,158)
Intergovernmental - Federal	589,815	248,271	341,544
All Other Revenue	1,053,961	5,525,321	(4,471,360)
<b>Total</b>	<b>\$432,123,899</b>	<b>\$461,818,269</b>	<b>(\$29,694,370)</b>

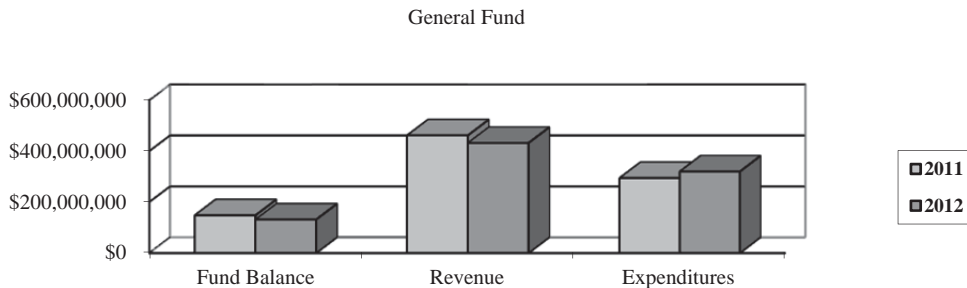
General Fund revenues in 2012 decreased from 2011 primarily due to decreases in tax and intergovernmental – state revenues.

	2012 Expenditures	2011 Expenditures	Increase (Decrease)
<b>Instruction:</b>			
Regular	\$137,028,425	\$126,174,501	\$10,853,924
Special	40,893,862	36,953,750	3,940,112
Vocational	3,147,194	5,525,707	(2,378,513)
Other	0	17,744	(17,744)
<b>Supporting Services:</b>			
Pupils	20,519,655	21,588,714	(1,069,059)
Instructional Staff	14,623,330	12,656,584	1,966,746
Board of Education	393,684	346,538	47,146
Administration	12,954,300	20,341,123	(7,386,823)
Fiscal Services	5,944,991	2,134,839	3,810,152
Business	1,419,773	1,142,991	276,782
Operation and Maintenance of Plant	29,511,711	22,306,516	7,205,195
Pupil Transportation	29,572,509	26,783,214	2,789,295
Central	18,472,609	14,129,288	4,343,321
Extracurricular Activities	5,301,033	3,846,782	1,454,251
Capital Outlay	3,527	284,400	(280,873)
<b>Debt Service:</b>			
Interest & Fiscal Charges	0	80,083	(80,083)
<b>Total</b>	<b>\$319,786,603</b>	<b>\$294,312,774</b>	<b>\$25,473,829</b>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

*Unaudited*



The \$25.5 million increase in total operating expenditures is a result of several factors. Student transportation costs increased as well as costs in the operation and maintenance of plant as facilities come on line as part of the FMP program. Central Services also increased as a result of increased compensated absence payouts for employees that retired during the year. Such increases were offset by lower administrative costs due to those retired employees. Regular and special instruction costs increased as a result of accounting for certain costs previously funded by transfers to the Schoolwide Building Program Fund. The Schoolwide Building Program Fund will be discontinued in fiscal year 2013.

During the course of fiscal year 2012 the District amended its General Fund budget for revenues and expenditures several times.

The General Fund's final budgeted revenues were increased 18.3% or \$81.9 million compared to the original budget estimates due to increasing estimated revenues primarily for taxes, intergovernmental revenues and the return of advances from other funds. Appropriations were increased by \$33.4 million primarily for regular instruction, administration costs and advances to other funds.

Actual final budget basis revenues were 15.1% below, or \$79.8 million, final budgeted amounts primarily as a result of lower than budgeted property tax receipts collected by Hamilton County. Actual final budget basis expenditures were lower than final appropriated amounts and varied by 7.5% or \$37.5 million.

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## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

*Unaudited*

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - At the end of fiscal 2012 the District had \$996,649,312 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 2012 balances:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Land	\$37,384,776	\$37,249,030	\$135,746
Construction in Progress	213,274,523	178,590,342	34,684,181
Land Improvements	10,304,697	9,092,640	1,212,057
Buildings and Improvements	863,785,984	782,952,105	80,833,879
Furniture, Fixtures and Equipment	4,542,399	7,438,538	(2,896,139)
Vehicles	824,267	824,267	0
Less: Accumulated Depreciation	(133,467,334)	(121,579,850)	(11,887,484)
Totals	\$996,649,312	\$894,567,072	\$102,082,240

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 \$80,833,879 net increase in Buildings and Improvements during 2012 was a result of completing construction of four building projects as part of the District's ten year, \$985 million Facilities Master Plan and reclassified from construction in progress to other asset classifications. The \$34,684,181 net increase in Construction in Progress is a result of those schools where construction continued during 2012. The increase in capital asset balances, coupled with changes in debt balances, contributed to a net decrease in Government Activities Investment in Capital Assets, Net of Related Debt in the amount of \$17,780,344. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 10).

**Debt** - At June 30, 2012, the District had \$636,566,647 in General Obligation Bonds outstanding, \$27,777,168 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2012:

	2012	2011
Governmental Activities:		
General Obligation Bonds	\$636,566,647	\$624,312,582
Capital Leases	106,715,000	114,960,560
Compensated Absences	54,472,945	55,036,867
Totals	\$797,754,592	\$794,310,009

Detailed information regarding debt is included in the notes to the basic financial statements (Notes 13-14).

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

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012*

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

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

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



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Statement of Net Assets June 30, 2012

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in Pooled Cash and Investments	\$ 305,463,588
Investments	240,310
Receivables:	
Taxes	323,767,058
Accounts	1,619,042
Intergovernmental - State and Local	9,438,498
Intergovernmental - Federal	28,456,843
Interest	75,484
Inventory of Supplies at Cost	99,985
Inventory Held for Resale	24,617
Restricted Assets:	
Pooled Cash and Investments	37,871,279
Non-Depreciable Capital Assets	250,659,299
Depreciable Capital Assets, Net	745,990,013
Unamortized Bond Issuance Costs	3,644,280
<b>Total Assets</b>	<b>1,707,350,296</b>
<b>Liabilities:</b>	
Accounts Payable	14,592,962
Accrued Wages and Benefits	30,107,474
Intergovernmental Payable	9,519,269
Claims Payable	2,883,000
Unearned Revenue - Taxes	237,910,065
Accrued Interest Payable	2,834,573
Long Term Liabilities:	
Due Within One Year	41,201,840
Due in More Than One Year	756,552,752
<b>Total Liabilities</b>	<b>1,095,601,935</b>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	389,607,776
Restricted For:	
Capital Projects	3,952,865
Debt Service	30,104,898
Permanent Fund:	
Expendable	487,719
Nonexpendable	768,034
State and Federal Grants	19,478,500
Unrestricted	167,348,569
<b>Total Net Assets</b>	<b>\$ 611,748,361</b>

See accompanying notes to the basic financial statements

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Statement of Activities For the Fiscal Year Ended June 30, 2012

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
	Expenses	Services and	Grants and	and	Changes in
		Sales	Contributions	Contributions	Net Assets
<b>Governmental Activities:</b>					Governmental
					Activities
<b>Instruction:</b>					
Instruction - Regular	\$ 221,930,107	\$ 4,994,182	\$ 7,990,030	\$ 0	\$ (208,945,895)
Instruction - Special	73,856,224	147,286	16,868,458	0	(56,840,480)
Instruction - Vocational	3,793,083	4,232	1,024,607	0	(2,764,244)
Instruction - Other	577,036	4,308	576,979	0	4,251
<b>Support Services:</b>					
Pupils	27,942,924	373,542	3,830,150	0	(23,739,232)
Instructional Staff	46,927,907	4,449,534	18,431,753	0	(24,046,620)
Board of Education	398,130	0	0	0	(398,130)
Administration	29,292,929	1,510,668	5,036,103	0	(22,746,158)
Fiscal Services	7,369,914	57,390	865,177	0	(6,447,347)
Business	1,607,145	1,537	0	0	(1,605,608)
Operation and Maintenance of Plant	47,844,700	330,368	120,212	5,908,555	(41,485,565)
Pupil Transportation	30,269,005	20,100	323,971	0	(29,924,934)
Central	18,435,513	6,459	246,492	0	(18,182,562)
Operation of Non-Instructional Services	46,614,539	2,117,529	28,756,323	0	(15,740,687)
Extracurricular Activities	7,140,306	1,912,546	1,990,126	0	(3,237,634)
Interest and Fiscal Charges	34,028,545	0	0	0	(34,028,545)
<b>Total Governmental Activities</b>	<u>\$ 598,028,007</u>	<u>\$ 15,929,681</u>	<u>\$ 86,060,381</u>	<u>\$ 5,908,555</u>	<u>(490,129,390)</u>
 <b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					225,246,490
Debt Service					47,063,326
Revenue in Lieu of Taxes					21,431,724
Grants and Entitlements not Restricted to Specific Programs					185,176,443
Investment Earnings					608,212
Miscellaneous					6,424,176
Total General Revenues					<u>485,950,371</u>
Change in Net Assets					(4,179,019)
Net Assets Beginning of Year					<u>615,927,380</u>
Net Assets End of Year					<u>\$ 611,748,361</u>

See accompanying notes to the basic financial statements

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

	General	Schoolwide Building Program	Debt Service
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 127,072,776	\$ 626,370	\$ 25,523,403
Investments	0	0	0
Receivables:			
Taxes	289,113,399	0	34,653,659
Accounts	272,965	0	0
Intergovernmental - State and Local	0	0	0
Intergovernmental - Federal	0	0	0
Interest	43,228	0	0
Interfund Loans Receivable	11,166,187	0	0
Advances to Other Funds	0	0	0
Inventory of Supplies at Cost	0	0	0
Inventory Held for Resale	0	0	0
Restricted Assets:			
Pooled Cash and Investments	8,309,709	0	0
<b>Total Assets</b>	<u>\$ 435,978,264</u>	<u>\$ 626,370</u>	<u>\$ 60,177,062</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 2,832,217	\$ 80,902	\$ 81
Accrued Wages and Benefits	25,681,993	0	0
Intergovernmental Payable	8,044,506	0	0
Interfund Loans Payable	4,630,712	465,028	649,227
Advances from Other Funds	2,447,807	0	0
Deferred Revenue - Taxes	254,518,399	0	30,873,659
Deferred Revenue	15,509	0	0
Compensated Absences Payable	6,301,241	0	0
<b>Total Liabilities</b>	<u>304,472,384</u>	<u>545,930</u>	<u>31,522,967</u>
<b>Fund Balances:</b>			
Nonspendable	190,019	0	0
Restricted	0	80,440	28,654,095
Assigned	5,338,695	0	0
Unassigned	125,977,166	0	0
<b>Total Fund Balances</b>	<u>131,505,880</u>	<u>80,440</u>	<u>28,654,095</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 435,978,264</u>	<u>\$ 626,370</u>	<u>\$ 60,177,062</u>

See accompanying notes to the basic financial statements

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 82,112,395	\$ 59,158,283	\$ 294,493,227
0	240,310	240,310
0	0	323,767,058
5,988	1,324,657	1,603,610
8,987,611	450,887	9,438,498
0	28,456,843	28,456,843
0	32,256	75,484
0	0	11,166,187
0	2,782,050	2,782,050
0	99,985	99,985
0	24,617	24,617
<u>3,688,418</u>	<u>25,873,152</u>	<u>37,871,279</u>
<u>\$ 94,794,412</u>	<u>\$ 118,443,040</u>	<u>\$ 710,019,148</u>
\$ 6,437,462	\$ 5,242,300	\$ 14,592,962
0	4,425,481	30,107,474
0	1,474,763	9,519,269
0	5,421,220	11,166,187
0	334,243	2,782,050
0	0	285,392,058
8,992,996	24,829,286	33,837,791
0	0	6,301,241
<u>15,430,458</u>	<u>41,727,293</u>	<u>393,699,032</u>
0	892,636	1,082,655
79,363,954	77,468,008	185,566,497
0	0	5,338,695
0	(1,644,897)	124,332,269
<u>79,363,954</u>	<u>76,715,747</u>	<u>316,320,116</u>
<u>\$ 94,794,412</u>	<u>\$ 118,443,040</u>	<u>\$ 710,019,148</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities June 30, 2012*

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**Total Governmental Fund Balances** \$ 316,320,116

*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. 996,649,312

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

Accounts Receivable - accrual basis	143,619	
Taxes Receivable - accrual basis	47,481,993	
Interest Receivable - accrual basis	19,441	
Grants Receivable - accrual basis	<u>33,674,731</u>	
Total		81,319,784

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. 8,102,793

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	(41,201,840)	
Amounts Due in More Than One Year	(756,552,752)	
Compensated Absences - accrued on fund basis	6,301,241	
Accrued Interest on Long-Term Debt	(2,834,573)	
Bond Issuance Costs	<u>3,644,280</u>	
Total		<u>(790,643,644)</u>

***Net Assets of Governmental Activities*** **\$ 611,748,361**

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, 2012*

	General	Schoolwide Building Program	Debt Service
<b>Revenues:</b>			
Taxes	\$ 235,891,856	\$ 0	\$ 47,929,363
Tuition	1,558,235	0	0
In Lieu of Taxes	8,013,617	0	13,417,052
Investment Earnings	276,599	0	8,272
Food Services	0	0	0
Intergovernmental - State	184,739,816	0	5,573,995
Intergovernmental - Federal	589,815	0	1,286,808
All Other Revenue	1,053,961	0	0
<b>Total Revenue</b>	<b>432,123,899</b>	<b>0</b>	<b>68,215,490</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	137,028,425	68,359,250	0
Special	40,893,862	20,466,980	0
Vocational	3,147,194	16,528	0
Other	0	0	0
Supporting Services:			
Pupils	20,519,655	2,858,447	0
Instructional Staff	14,623,330	10,448,452	0
Board of Education	393,684	0	0
Administration	12,954,300	10,464,848	134,999
Fiscal Services	5,944,991	0	381,493
Business	1,419,773	0	0
Operation & Maintenance of Plant	29,511,711	3,058,775	0
Pupil Transportation	29,572,509	0	0
Central	18,472,609	1,000	0
Operation of Non-Instructional Services	0	99	0
Extracurricular Activities	5,301,033	12,131	0
Capital Outlay	3,527	0	0
Debt Service:			
Principal Retirement	0	0	19,715,000
Interest & Fiscal Charges	0	0	35,549,109
<b>Total Expenditures</b>	<b>319,786,603</b>	<b>115,686,510</b>	<b>55,780,601</b>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 283,821,219
0	744,012	2,302,247
0	0	21,430,669
(28,299)	388,038	644,610
0	1,707,174	1,707,174
0	10,932,476	201,246,287
0	74,126,043	76,002,666
0	17,594,374	18,648,335
<u>(28,299)</u>	<u>105,492,117</u>	<u>605,803,207</u>
0	8,865,958	214,253,633
0	12,721,395	74,082,237
0	950,127	4,113,849
0	558,733	558,733
0	4,576,516	27,954,618
0	21,546,085	46,617,867
0	0	393,684
0	5,782,292	29,336,439
0	862,613	7,189,097
0	138,814	1,558,587
0	14,622,235	47,192,721
0	242,474	29,814,983
0	411,917	18,885,526
0	27,961,882	27,961,981
0	1,826,412	7,139,576
99,333,850	36,925,361	136,262,738
0	0	19,715,000
0	373,905	35,923,014
<u>99,333,850</u>	<u>138,366,719</u>	<u>728,954,283</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, 2012*

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	<u>General</u>	<u>Schoolwide Building Program</u>	<u>Debt Service</u>
Excess (Deficiency) of Revenues Over Expenditures	112,337,296	(115,686,510)	12,434,889
<b>Other Financing Sources (Uses):</b>			
Issuance of General Obligation Bonds	0	0	0
Transfers In	5,234,143	121,088,023	16,502,079
Transfers Out	<u>(134,096,710)</u>	<u>(5,000,000)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(128,862,567)</u>	<u>116,088,023</u>	<u>16,502,079</u>
Net Change in Fund Balance	(16,525,271)	401,513	28,936,968
<b>Fund Balances at Beginning of Year</b>	<u>148,031,151</u>	<u>(321,073)</u>	<u>(282,873)</u>
<b>Fund Balances End of Year</b>	<u>\$ 131,505,880</u>	<u>\$ 80,440</u>	<u>\$ 28,654,095</u>

See accompanying notes to the basic financial statements

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
(99,362,149)	(32,874,602)	(123,151,076)
0	26,250,000	26,250,000
0	42,973,999	185,798,244
<u>(35,260,795)</u>	<u>(11,440,739)</u>	<u>(185,798,244)</u>
<u>(35,260,795)</u>	<u>57,783,260</u>	<u>26,250,000</u>
(134,622,944)	24,908,658	(96,901,076)
<u>213,986,898</u>	<u>51,807,089</u>	<u>413,221,192</u>
<u>\$ 79,363,954</u>	<u>\$ 76,715,747</u>	<u>\$ 316,320,116</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, 2012***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (96,901,076)

***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.	108,816,585
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.	(6,734,345)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(11,946,746)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	(6,535,000)
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.	1,894,469
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.	6,695,062
The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>532,032</u>
<b><i>Change in Net Assets of Governmental Activities</i></b>	<b><u>\$ (4,179,019)</u></b>

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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 242,697,855	\$ 274,366,846	\$ 230,846,034	\$ (43,520,812)
Tuition	1,547,841	4,986,349	1,554,146	(3,432,203)
In Lieu of Taxes	8,264,215	9,342,590	7,866,466	(1,476,124)
Investment Earnings	400,629	452,906	381,347	(71,559)
Intergovernmental - State	194,080,741	221,668,351	184,739,816	(36,928,535)
Intergovernmental - Federal	619,638	700,492	589,815	(110,677)
All Other Revenues	<u>498,893</u>	<u>572,172</u>	<u>2,047,093</u>	<u>1,474,921</u>
Total Revenues	<u>448,109,812</u>	<u>512,089,706</u>	<u>428,024,717</u>	<u>(84,064,989)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	141,246,749	151,438,854	135,280,658	16,158,196
Special	43,537,157	44,916,148	40,489,165	4,426,983
Vocational	3,504,398	3,615,395	3,259,058	356,337
Other	271	280	252	28
Support Services:				
Pupils	22,638,785	23,355,844	21,053,867	2,301,977
Instructional Staff	15,681,941	16,178,650	14,584,065	1,594,585
Board of Education	436,975	450,816	406,383	44,433
Administration	15,486,374	15,976,888	12,812,973	3,163,915
Fiscal Services	6,486,986	6,692,454	6,032,839	659,615
Business	1,512,235	1,581,504	1,427,735	153,769
Operation and Maintenance of Plant	32,525,901	33,556,123	30,248,796	3,307,327
Pupil Transportation	32,629,474	33,662,977	30,345,119	3,317,858
Central	13,890,143	14,330,099	12,917,709	1,412,390
Extracurricular Activities	5,852,050	6,037,407	5,442,354	595,053
Capital Outlay	<u>4,635</u>	<u>4,782</u>	<u>4,311</u>	<u>471</u>
Total Expenditures	<u>335,434,074</u>	<u>351,798,221</u>	<u>314,305,284</u>	<u>37,492,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,675,738	160,291,485	113,719,433	(46,572,052)



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	4,286,796	4,286,796
Transfers Out	(134,096,710)	(134,096,710)	(134,096,710)	0
Advances In	0	17,967,919	17,967,919	0
Advances Out	0	(16,500,291)	(16,500,291)	0
Refund of Prior Year's Expenditures	0	272	272	0
Refund of Prior Year's Receipts	0	(512,268)	(512,268)	0
Total Other Financing Sources (Uses):	<u>(134,096,710)</u>	<u>(133,141,078)</u>	<u>(128,854,282)</u>	<u>4,286,796</u>
Net Change in Fund Balance	(21,420,972)	27,150,407	(15,134,849)	(42,285,256)
Fund Balance at Beginning of Year	108,232,671	108,232,671	108,232,671	0
Prior Year Encumbrances	16,250,137	16,250,137	16,250,137	0
Fund Balance at End of Year	<u>\$ 103,061,836</u>	<u>\$ 151,633,215</u>	<u>\$ 109,347,959</u>	<u>\$ (42,285,256)</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	87,979,408	72,399,641	72,273,105	126,536
Special	26,286,475	21,631,554	21,593,748	37,806
Vocational	24,221	19,932	19,897	35
Support Services:				
Pupils	3,690,723	3,037,154	3,031,846	5,308
Instructional Staff	13,410,402	11,035,631	11,016,344	19,287
Administration	13,369,042	11,001,596	10,982,367	19,229
Operation and Maintenance of Plant	3,923,293	3,228,540	3,222,897	5,643
Central	1,224	1,007	1,005	2
Operation of Non-Instructional Services	131	108	108	0
Extracurricular Activities	7,223	5,944	5,933	11
Total Expenditures	<u>148,692,142</u>	<u>122,361,107</u>	<u>122,147,250</u>	<u>213,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(148,692,142)	(122,361,107)	(122,147,250)	213,857
<b>Other Financing Sources (Uses):</b>				
Transfers In	129,620,572	121,780,127	121,088,023	(692,104)
Transfers Out	(5,000,000)	(5,000,000)	(5,000,000)	0
Advances In	0	465,028	465,028	0
Total Other Financing Sources (Uses):	<u>124,620,572</u>	<u>117,245,155</u>	<u>116,553,051</u>	<u>(692,104)</u>
Net Change in Fund Balance	(24,071,570)	(5,115,952)	(5,594,199)	(478,247)
Fund Balance at Beginning of Year	5,008,999	5,008,999	5,008,999	0
Prior Year Encumbrances	585,200	585,200	585,200	0
Fund Balance at End of Year	<u>\$ (18,477,371)</u>	<u>\$ 478,247</u>	<u>\$ 0</u>	<u>\$ (478,247)</u>

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, 2012***

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	Governmental Activities - Internal Service Fund
<b>Assets:</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 10,970,361
Receivables:	
Accounts	<u>15,432</u>
<b>Total Assets</b>	<u>10,985,793</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>2,883,000</u>
<b>Total Liabilities</b>	<u>2,883,000</u>
<b>Net Assets:</b>	
Unrestricted	<u>8,102,793</u>
<b>Total Net Assets</b>	<u>\$ 8,102,793</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, 2012***

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	Governmental Activities - Internal Service Fund
<b>Operating Revenues:</b>	
Interfund Charges	\$ 48,247,840
<b>Total Operating Revenues</b>	<u>48,247,840</u>
<b>Operating Expenses:</b>	
Claims	<u>47,715,808</u>
<b>Total Operating Expenses</b>	<u>47,715,808</u>
Change in Net Assets	532,032
Net Assets Beginning of Year	<u>7,570,761</u>
Net Assets End of Year	<u>\$ 8,102,793</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, 2012***

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	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$48,239,065
Cash Payments for Claims	<u>(48,239,065)</u>
Net Cash Provided by Operating Activities	<u>0</u>
Net Change in Cash and Cash Equivalents	0
Cash and Cash Equivalents at Beginning of Year	<u>10,970,361</u>
Cash and Cash Equivalents at End of Year	<u><u>\$10,970,361</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$532,032
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(8,649)
Decrease in Accounts Payable	(45,383)
Decrease in Claims Payable	<u>(478,000)</u>
Total Adjustments	<u>(532,032)</u>
Net Cash Provided by Operating Activities	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**Statement of Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

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	Private Purpose	
	Trust	
	Special Trust	
	Fund	Agency
<b>Assets:</b>		
Equity in Pooled Cash and Investments	\$ 1,129,326	\$ 119,595
Investments	433,153	0
Receivables:		
Accounts	1,042	0
<b>Total Assets</b>	<u>1,563,521</u>	<u>119,595</u>
<b>Liabilities:</b>		
Accounts Payable	90	0
Due to Students	0	119,595
<b>Total Liabilities</b>	<u>90</u>	<u>119,595</u>
<b>Net Assets:</b>		
Unrestricted	<u>1,563,431</u>	<u>0</u>
<b>Total Net Assets</b>	<u>\$ 1,563,431</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, 2012***

---

	Private Purpose Trust Special Trust Fund
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 173,192
Total Contributions	<u>173,192</u>
Investment Earnings:	
Interest	19,265
Net Change in the Fair Value of Investments	<u>155,721</u>
Total Investment Earnings	<u>174,986</u>
Total Additions	<u>348,178</u>
<b>Deductions:</b>	
Administrative Expenses	1,531
Community Services	305,300
Extracurricular	<u>13,148</u>
Total Deductions	<u>319,979</u>
Change in Net Assets	28,199
Net Assets at Beginning of Year	<u>1,535,232</u>
Net Assets End of Year	<u>\$ 1,563,431</u>

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, 2012*

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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, 2012, the District employed 4,201 employees, including 3,219 certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators.

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

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

#### **B. Basis of Presentation – Financial Statements**

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



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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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, 2012*

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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.

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

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

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

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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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, 2012*

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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 2012.

##### 3. Appropriations

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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

**E. Budgetary Process (Continued)**

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

#### **H. Inventory**

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

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

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

#### I. Capital Assets and Depreciation (Continued)

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

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

##### 2. Depreciation

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

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

#### J. Long-Term Obligations

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

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

#### K. Compensated Absences

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

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



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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

**K. Compensated Absences (Continued)**

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

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

	<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, 2012*

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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 or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **M. Pensions**

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

#### **N. Interfund Activity**

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

#### **O. Restricted Assets**

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

##### **P. Fund Balance**

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

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

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

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

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

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

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

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

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

##### **Q. Estimates**

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

##### **R. Operating Revenues and Expenses**

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

##### **S. Revenue in Lieu of Taxes**

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

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

**NOTE 2 – FUND BALANCES**

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

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

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## *CINCINNATI CITY SCHOOL DISTRICT, OHIO*

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

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

*Governmental revenues not reported in the funds:*

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

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

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

*Interest expense not reported in the funds:*

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

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

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

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

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

<sup>2</sup> Standard & Poor's

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

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

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

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

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

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

\* - Includes restricted pooled cash and investments

### NOTE 6 - PROPERTY TAXES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

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

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

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

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

#### NOTE 10 - CAPITAL ASSETS

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

*Historical Cost:*

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

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

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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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 Employee Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website, [www.ohsers.org](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 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$9,341,956, \$6,379,446 and \$7,819,678 respectively, which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](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 member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan.

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

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

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

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

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

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

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

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

##### **C. Social Security System**

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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#### NOTE 12 - POSTEMPLOYMENT BENEFITS

##### **A. School Employee Retirement System**

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

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

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

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

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

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

##### **B. State Teachers Retirement System**

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](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, 2012***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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

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## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

#### NOTE 13- LONG-TERM DEBT AND OTHER OBLIGATIONS

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

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

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

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

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

##### **A. Principal and Interest Requirements**

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

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

##### **B. Defeased Debt**

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

##### **B. Defeased Debt (Continued)**

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

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

#### **NOTE 14 - CAPITAL LEASE COMMITMENT**

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

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

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

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#### **NOTE 14 - CAPITAL LEASE COMMITMENT (Continued)**

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

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

#### **NOTE 15 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains comprehensive insurance coverage with private carriers for real property, boilers and machinery, building contents, general/Board liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real Property and contents are covered with a \$250,000 deductible.

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

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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**NOTE 15 - RISK MANAGEMENT (Continued)**

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

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

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

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

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

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

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

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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**NOTE 15 - RISK MANAGEMENT (Continued)**

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

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

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

**NOTE 16 – STATUTORY RESERVES**

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

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

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

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

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

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

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#### **NOTE 17 - CONTINGENCIES**

##### **A. Grants**

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

##### **B. Litigation**

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

##### **C. Statewide Audit of Student Attendance Data**

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

#### **NOTE 18 - CONTRACTUAL COMMITMENTS**

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



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

*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.

**Title VI B – Special Education Assistance Fund**

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

**ARRA Fund**

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

**Chapter I – Education Consolidation and Improvement Act Fund**

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

*Special Revenue Funds*

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**Miscellaneous Federal Grants Fund**

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

**Other Special Revenue Funds**

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

*Capital Projects Funds*

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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.

**Building Fund**

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

**Replacement Fund**

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

## *CINCINNATI CITY SCHOOL DISTRICT, OHIO*

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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, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 37,564,044	\$ 20,572,823	\$ 1,021,416	\$ 59,158,283
Investments	5,880	0	234,430	240,310
Receivables:				
Accounts	476,184	848,473	0	1,324,657
Intergovernmental - State and Local	450,887	0	0	450,887
Intergovernmental - Federal	28,456,843	0	0	28,456,843
Interest	0	32,256	0	32,256
Advances to Other Funds	22,310	2,759,740	0	2,782,050
Inventory of Supplies at Cost	99,985	0	0	99,985
Inventory Held for Resale	24,617	0	0	24,617
Restricted Assets:				
Cash and Cash Equivalents	0	25,873,152	0	25,873,152
<b>Total Assets</b>	<b>\$ 67,100,750</b>	<b>\$ 50,086,444</b>	<b>\$ 1,255,846</b>	<b>\$ 118,443,040</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,182,722	\$ 2,059,485	\$ 93	\$ 5,242,300
Accrued Wages and Benefits	4,322,133	103,348	0	4,425,481
Intergovernmental Payable	1,440,322	34,441	0	1,474,763
Interfund Loans Payable	5,421,220	0	0	5,421,220
Advances from Other Funds	334,243	0	0	334,243
Deferred Revenue	24,814,091	15,195	0	24,829,286
<b>Total Liabilities</b>	<b>39,514,731</b>	<b>2,212,469</b>	<b>93</b>	<b>41,727,293</b>
<b>Fund Balances:</b>				
Nonspendable	124,602	0	768,034	892,636
Restricted	29,106,314	47,873,975	487,719	77,468,008
Unassigned	(1,644,897)	0	0	(1,644,897)
<b>Total Fund Balances</b>	<b>27,586,019</b>	<b>47,873,975</b>	<b>1,255,753</b>	<b>76,715,747</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 67,100,750</b>	<b>\$ 50,086,444</b>	<b>\$ 1,255,846</b>	<b>\$ 118,443,040</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, 2012***

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 241,590	\$ 0	\$ 241,590
All Other Revenue	0	5,908,555	0	5,908,555
<b>Total Revenue</b>	<u>0</u>	<u>6,150,145</u>	<u>0</u>	<u>6,150,145</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Vocational	0	11,126	0	11,126
Supporting Services:				
Fiscal Services	0	2,834	0	2,834
Business	0	62,786	0	62,786
Operation & Maintenance of Plant	8,469,735	373,616	0	8,843,351
Central	0	181,314	0	181,314
Capital Outlay	0	36,863,809	0	36,863,809
Debt Service:				
Interest & Fiscal Charges	373,905	0	0	373,905
<b>Total Expenditures</b>	<u>8,843,640</u>	<u>37,495,485</u>	<u>0</u>	<u>46,339,125</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,843,640)	(31,345,340)	0	(40,188,980)
<b>Other Financing Sources (Uses):</b>				
Issuance of General Obligation Bonds	26,250,000	0	0	26,250,000
Transfers In	0	35,260,795	0	35,260,795
<b>Total Other Financing Sources (Uses)</b>	<u>26,250,000</u>	<u>35,260,795</u>	<u>0</u>	<u>61,510,795</u>
Net Change in Fund Balance	17,406,360	3,915,455	0	21,321,815
<b>Fund Balances (Deficit) at Beginning of Year</b>	<u>15,909,983</u>	<u>10,641,000</u>	<u>1,177</u>	<u>26,552,160</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 33,316,343</u>	<u>\$ 14,556,455</u>	<u>\$ 1,177</u>	<u>\$ 47,873,975</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)  
Major Governmental Funds – General Fund  
For the Fiscal Year Ended June 30, 2012***

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

---

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

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

---

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



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

---

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

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**CLASSROOM FACILITIES FUND**

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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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, 2012***

---

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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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, 2012***

---

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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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, 2012***

---

**CLASSROOM FACILITIES MAINTENANCE FUND**

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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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, 2012***

---

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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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, 2012***

---

	<b>TITLE VI-B FUND</b>		<b>Variance with Final Budget Positive (Negative)</b>
	<b>Final Budget</b>	<b>Actual</b>	
Total Revenues and Other Financing Sources	<u>\$ 11,133,762</u>	<u>\$ 11,133,762</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>12,481,804</u>	<u>12,481,804</u>	<u>0</u>
Net Change in Fund Balance	(1,348,042)	(1,348,042)	0
Fund Balances, Beginning of Year	39	39	0
Prior Year Encumbrances	<u>1,348,004</u>	<u>1,348,004</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 0</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 Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012***

---

	<b>ARRA FUND</b>		<b>Variance with Final Budget Positive (Negative)</b>
	<u><b>Final Budget</b></u>	<u><b>Actual</b></u>	<u><b>(Negative)</b></u>
Total Revenues and Other Financing Sources	\$ 10,142,240	\$ 10,142,240	\$ 0
Total Expenditures and Other Financing Uses	11,716,772	11,716,772	0
Net Change in Fund Balance	(1,574,532)	(1,574,532)	0
Fund Balances, Beginning of Year	0	0	0
Prior Year Encumbrances	1,574,532	1,574,532	0
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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 Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012***

---

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



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

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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, 2012***

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**MISCELLANEOUS FEDERAL GRANTS FUND**

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

**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, 2012***

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 20,642,911	\$ 20,247,931	\$ (394,980)
Total Expenditures and Other Financing Uses	22,517,521	22,428,253	89,268
Net Change in Fund Balance	(1,874,610)	(2,180,322)	(305,712)
Fund Balances, Beginning of Year	3,116,390	3,116,390	0
Prior Year Encumbrances	1,918,174	1,918,174	0
Fund Balances, End of Year	<u>\$ 3,159,954</u>	<u>\$ 2,854,242</u>	<u>\$ (305,712)</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, 2012***

---

**PERMANENT IMPROVEMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 26,250,000	\$ 26,250,000	\$ 0
Total Expenditures and Other Financing Uses	15,273,993	15,273,993	0
Net Change in Fund Balance	10,976,007	10,976,007	0
Fund Balances, Beginning of Year	8,209,754	8,209,754	0
Prior Year Encumbrances	8,493,991	8,493,991	0
Fund Balances, End of Year	<u>\$ 27,679,752</u>	<u>\$ 27,679,752</u>	<u>\$ 0</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, 2012***

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	<b>BUILDING FUND</b>		<b>Variance with Final Budget Positive (Negative)</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>(Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 83,891,719</u>	<u>\$ 40,779,110</u>	<u>\$ (43,112,609)</u>
Total Expenditures and Other Financing Uses	<u>90,384,107</u>	<u>59,465,780</u>	<u>30,918,327</u>
Net Change in Fund Balance	(6,492,388)	(18,686,670)	(12,194,282)
Fund Balances, Beginning of Year	(31,751,654)	(31,751,654)	0
Prior Year Encumbrances	<u>41,753,183</u>	<u>41,753,183</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 3,509,141</u>	<u>\$ (8,685,141)</u>	<u>\$ (12,194,282)</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, 2012***

---

**REPLACEMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balances, Beginning of Year	1,177	1,177	0
Fund Balances, End of Year	<u>\$ 1,177</u>	<u>\$ 1,177</u>	<u>\$ 0</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 Permanent Fund  
For the Fiscal Year Ended June 30, 2012***

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	<i>PERMANENT FUND</i>		<b>Variance with Final Budget Positive (Negative)</b>
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 16,740	\$ 17,549	\$ 809
Total Expenditures and Other Financing Uses	42,566	42,566	0
Net Change in Fund Balance	(25,826)	(25,017)	809
Fund Balances, Beginning of Year	1,048,737	1,048,737	0
Prior Year Encumbrances	18,699	18,699	0
Fund Balances, End of Year	<u>\$ 1,041,610</u>	<u>\$ 1,042,419</u>	<u>\$ 809</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.



**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, 2012***

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	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Equity in Pooled Cash and Investments	\$121,489	\$206,669	(\$208,563)	\$119,595
Total Assets	<u>\$121,489</u>	<u>\$206,669</u>	<u>(\$208,563)</u>	<u>\$119,595</u>
Liabilities:				
Due to Students	\$121,489	\$206,669	(\$208,563)	\$119,595
Total Liabilities	<u>\$121,489</u>	<u>\$206,669</u>	<u>(\$208,563)</u>	<u>\$119,595</u>





# Statistical Section



*STATISTICAL TABLES*

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

*Contents*

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax and the sales tax.	
<b>Debt Capacity</b>	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 34 – S 46
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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*Net Assets by Component  
Last Ten Years  
(accrual basis of accounting)*

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	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$24,393,680	\$62,736,106	\$123,801,968	\$163,202,797
Restricted for:				
Capital Projects	33,583,348	32,373,514	59,677,761	47,111,594
Debt Service	5,212,708	13,610,918	13,412,818	22,755,122
Permanent Funds:				
Expendable	317,754	354,528	350,786	350,786
Nonexpendable	768,034	768,034	768,034	768,034
State and Federal Grants	20,983,634	17,532,180	20,193,869	16,034,254
Unrestricted	115,284,752	84,335,436	31,471,831	91,543,314
Total Governmental Activities Net Assets	<u>\$200,543,910</u>	<u>\$211,710,716</u>	<u>\$249,677,067</u>	<u>\$341,765,901</u>

Source: District Treasurer's Office

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$218,829,785	\$273,865,981	\$326,129,887	\$353,689,363	\$407,388,120	\$389,607,776
113,428,438	73,551,262	31,994,427	707,188	2,109,383	3,952,865
27,315,500	16,959,885	5,484,225	14,483,686	1,898,503	30,104,898
476,939	497,397	457,573	465,598	498,731	487,719
768,034	768,034	768,034	768,034	768,034	768,034
9,754,569	0	0	15,968,403	14,088,445	19,478,500
52,591,559	40,306,909	90,286,275	148,052,663	189,176,164	167,348,569
<u>\$423,164,824</u>	<u>\$405,949,468</u>	<u>\$455,120,421</u>	<u>\$534,134,935</u>	<u>\$615,927,380</u>	<u>\$611,748,361</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Changes in Net Assets  
Last Ten Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities				
Instruction				
Regular	\$220,453,877	\$233,043,337	\$221,590,261	\$223,297,113
Special	63,132,571	68,179,784	78,163,915	80,390,504
Vocational	6,534,496	7,254,606	7,952,193	6,209,179
Other	1,703,846	1,600,216	1,743,840	4,703,448
Support Services				
Pupils	22,810,661	29,128,330	28,917,415	26,628,386
Instructional Staff	24,920,010	33,996,376	35,799,980	33,757,059
Board of Education	432,025	330,013	348,475	308,211
Administration	34,103,376	37,435,189	83,855,686	33,272,546
Fiscal Services	5,874,202	4,796,236	4,319,078	3,889,606
Business	883,799	1,117,893	1,161,363	1,372,454
Operation and Maintenance of Plant	40,064,743	49,649,606	39,950,347	41,446,421
Pupil Transportation	22,336,585	24,686,563	24,960,104	24,928,584
Central	19,173,042	31,066,121	17,193,132	14,031,779
Non-Instructional Services	29,078,066	29,907,760	29,840,292	26,527,842
Extracurricular Activities	5,425,048	5,581,501	5,731,005	5,080,509
Interest and Fiscal Charges	10,194,674	29,215,795	35,335,026	35,493,871
<i>Total Primary Government Expenses</i>	<u>\$507,121,021</u>	<u>\$586,989,326</u>	<u>\$616,862,112</u>	<u>\$561,337,512</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
Instruction	\$3,409,870	\$3,580,490	\$3,787,000	\$4,258,848
Support Services	1,903,289	1,630,413	2,609,254	2,518,277
Non-Instructional Services	2,766,804	2,673,711	2,728,504	3,361,377
Extracurricular Activities	1,370,223	1,360,314	945,664	713,347
Operating Grants and Contributions	98,877,672	105,858,803	126,815,341	108,096,560
Capital Grants and Contributions	765,501	362,250	63,167,849	243,573
<i>Total Primary Government Program Revenues</i>	<u>109,093,359</u>	<u>115,465,981</u>	<u>200,053,612</u>	<u>119,191,982</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(398,027,662)	(471,523,345)	(416,808,500)	(442,145,530)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$398,027,662)</u>	<u>(\$471,523,345)</u>	<u>(\$416,808,500)</u>	<u>(\$442,145,530)</u>



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

2007	2008	2009	2010	2011	2012
\$182,146,228	\$175,998,596	\$218,216,256	\$215,218,926	\$212,617,087	\$221,930,107
69,266,976	72,421,383	72,987,430	77,739,067	77,918,902	73,856,224
6,693,031	7,216,845	5,796,782	6,839,266	7,046,640	3,793,083
32,417,953	40,553,924	677,824	324,254	613,450	577,036
27,257,081	23,484,223	25,454,794	29,830,994	29,702,228	27,942,924
42,835,422	44,812,063	44,172,580	39,819,027	49,720,996	46,927,907
347,852	403,963	443,575	339,142	343,414	398,130
34,880,780	33,167,537	33,399,805	35,453,480	35,904,173	29,292,929
3,306,297	2,905,859	2,982,641	6,833,916	7,006,980	7,369,914
1,071,616	1,217,184	1,382,889	1,196,647	1,244,023	1,607,145
41,057,796	40,791,667	41,344,253	41,693,266	47,998,030	47,844,700
22,799,539	23,321,223	29,877,750	31,574,052	27,155,167	30,269,005
15,159,365	19,888,633	19,309,398	10,143,405	15,024,579	18,435,513
30,191,515	32,584,206	34,574,667	37,670,655	43,667,894	46,614,539
5,323,580	5,066,751	6,727,253	6,370,590	5,605,603	7,140,306
27,316,555	36,789,707	35,008,872	31,351,857	34,495,353	34,028,545
<u>\$542,071,586</u>	<u>\$560,623,764</u>	<u>\$572,356,769</u>	<u>\$572,398,544</u>	<u>\$596,064,519</u>	<u>\$598,028,007</u>
\$7,575,641	\$4,295,206	\$6,799,768	\$8,363,276	\$9,295,532	\$5,150,008
4,481,719	7,278,344	7,001,505	5,914,193	6,448,862	6,749,598
2,483,338	2,262,012	2,183,221	1,977,207	2,035,610	2,117,529
851,103	750,852	1,947,178	1,906,058	4,184,264	1,912,546
109,768,466	127,168,655	126,199,712	119,193,346	107,155,658	86,060,381
81,068,698	719,912	0	11,920,000	56,581,124	5,908,555
<u>206,228,965</u>	<u>142,474,981</u>	<u>144,131,384</u>	<u>149,274,080</u>	<u>185,701,050</u>	<u>107,898,617</u>
<u>(335,842,621)</u>	<u>(418,148,783)</u>	<u>(428,225,385)</u>	<u>(423,124,464)</u>	<u>(410,363,469)</u>	<u>(490,129,390)</u>
<u>(\$335,842,621)</u>	<u>(\$418,148,783)</u>	<u>(\$428,225,385)</u>	<u>(\$423,124,464)</u>	<u>(\$410,363,469)</u>	<u>(\$490,129,390)</u>

(Continued)

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

*Changes in Net Assets  
Last Ten Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b><i>General Revenues and Other Changes in Net Assets</i></b>				
<i>Governmental Activities</i>				
Property Taxes Levied for				
General Purposes	\$242,138,738	\$241,472,317	\$230,848,360	\$315,532,788
Debt Service	899,101	22,088,507	26,870,805	34,823,550
Revenue in Lieu of Taxes	15,095,611	14,269,160	14,877,443	15,745,319
Grants and Entitlements not				
Restricted to Specific Programs	144,831,670	173,939,321	149,003,219	146,356,573
Investment Earnings	8,693,979	6,461,084	11,517,721	28,554,158
Miscellaneous	4,063,450	5,315,126	4,960,207	6,131,207
<i>Total Primary Government</i>	<u>\$415,722,549</u>	<u>\$463,545,515</u>	<u>\$438,077,755</u>	<u>\$547,143,595</u>
<b><i>Change in Net Assets</i></b>				
<i>Total Primary Government</i>				
<i>Change in Net Assets</i>	<u>\$17,694,887</u>	<u>(\$7,977,830)</u>	<u>\$21,269,255</u>	<u>\$104,998,065</u>

Source: District Treasurer's Office

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$189,107,096	\$200,054,022	\$265,885,389	\$255,859,268	\$250,219,075	\$225,246,490
25,823,528	33,356,387	23,498,488	30,695,071	15,071,352	47,063,326
11,299,519	10,948,197	10,919,337	17,497,711	23,453,928	21,431,724
157,791,118	150,048,088	165,610,526	192,804,062	197,164,514	185,176,443
29,904,739	30,097,980	10,097,650	2,452,857	1,298,188	608,212
3,315,544	12,818,225	1,384,948	2,830,009	4,948,857	6,424,176
<u>\$417,241,544</u>	<u>\$437,322,899</u>	<u>\$477,396,338</u>	<u>\$502,138,978</u>	<u>\$492,155,914</u>	<u>\$485,950,371</u>
<u>\$81,398,923</u>	<u>\$19,174,116</u>	<u>\$49,170,953</u>	<u>\$79,014,514</u>	<u>\$81,792,445</u>	<u>(\$4,179,019)</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2003	2004	2005	2006
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	67,344,758	77,001,382	\$77,117,030	77,952,939
Unreserved	71,156,036	27,795,469	6,933,639	10,401,021
<i>Total General Fund</i>	<u>138,500,794</u>	<u>104,796,851</u>	<u>84,050,669</u>	<u>88,353,960</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	20,605,566	67,574,219	90,082,799	83,004,473
Unreserved, Undesignated in:				
Special Revenue Funds	9,898,574	9,150,321	8,996,661	12,122,469
Capital Projects Funds	206,121,719	673,909,505	542,525,627	489,401,006
Permanent Fund	324,214	354,528	350,786	397,465
<i>Total All Other Governmental Funds</i>	<u>236,950,073</u>	<u>750,988,573</u>	<u>641,955,873</u>	<u>584,925,413</u>
<i>Total Governmental Funds</i>	<u><u>\$375,450,867</u></u>	<u><u>\$855,785,424</u></u>	<u><u>\$726,006,542</u></u>	<u><u>\$673,279,373</u></u>

Source: District Treasurer's Office

Note: The District implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$0	\$0	\$190,019
0	0	0	0	11,987,019	5,338,695
0	0	0	0	136,044,132	125,977,166
(94,708,835)	44,175,345	(75,520,891)	(52,610,506)	0	0
(9,416,133)	(2,461,469)	10,296,495	45,882,306	0	0
<u>(104,124,968)</u>	<u>41,713,876</u>	<u>(65,224,396)</u>	<u>(6,728,200)</u>	<u>148,031,151</u>	<u>131,505,880</u>
0	0	0	0	1,276,452	892,636
0	0	0	0	265,207,563	185,566,497
0	0	0	0	(1,293,974)	(1,644,897)
123,506,930	110,989,299	149,613,198	171,293,861	0	0
5,072,611	(6,516,820)	(5,327,271)	5,435,099	0	0
452,438,137	371,811,911	246,422,216	246,788,752	0	0
476,939	497,397	457,573	461,968	0	0
<u>581,494,617</u>	<u>476,781,787</u>	<u>391,165,716</u>	<u>423,979,680</u>	<u>265,190,041</u>	<u>184,814,236</u>
<u>\$477,369,649</u>	<u>\$518,495,663</u>	<u>\$325,941,320</u>	<u>\$417,251,480</u>	<u>\$413,221,192</u>	<u>\$316,320,116</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2003	2004	2005	2006
<b>Revenues:</b>				
Local Sources:				
Taxes	\$242,059,637	\$265,814,744	\$256,325,144	\$322,180,008
Tuition	1,090,918	1,484,343	1,734,775	2,474,762
In Lieu of Taxes	15,295,671	14,317,383	14,877,443	15,743,651
Investment Earnings	8,682,782	6,461,084	18,711,996	26,498,394
Food Services	2,756,395	2,644,972	2,557,890	2,509,797
Intermediate Sources	0	0	292,406	0
Intergovernmental - State	186,026,797	216,768,811	232,669,945	205,315,594
Intergovernmental - Federal	52,297,299	65,839,661	74,329,708	68,695,133
All Other Revenue	9,992,701	10,403,047	10,436,186	15,075,461
<b>Total Revenue</b>	<b>518,202,200</b>	<b>583,734,045</b>	<b>611,935,493</b>	<b>658,492,800</b>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular	218,138,993	232,384,048	222,580,079	216,803,272
Special	62,761,098	68,500,148	78,066,020	78,112,990
Vocational	6,261,609	6,966,426	7,695,731	5,883,214
Other Instruction	2,097,045	1,672,990	1,759,044	1,192,485
Supporting Services:				
Pupils	21,915,606	28,976,925	28,779,045	25,877,478
Instructional Staff	24,817,267	33,650,585	35,844,378	33,425,507
Board of Education	426,281	329,933	349,910	300,309
Administration	33,985,048	37,521,512	42,846,546	73,453,592
Fiscal Services	6,837,264	4,743,865	4,311,076	3,747,809
Business	886,604	1,110,054	1,172,056	1,318,991
Operation and Maintenance of Plant	39,741,738	49,452,172	40,051,151	40,489,901
Pupil Transportation	22,293,435	24,513,078	24,597,832	24,710,901
Central	18,785,890	30,449,946	16,795,704	14,421,486
Non-Instructional Services	27,760,318	29,381,857	29,089,662	24,583,057
Extracurricular Activities	5,379,870	5,569,357	5,715,176	4,952,035
Capital Outlay	22,193,145	31,182,823	129,917,744	109,456,508
Debt Service:				
Principal Retirement	32,795,000	28,410,000	42,505,000	44,970,000
Interest and Fiscal Charges	10,202,014	32,759,197	35,675,089	38,910,773
<b>Total Expenditures</b>	<b>557,278,225</b>	<b>647,574,916</b>	<b>747,751,243</b>	<b>742,610,308</b>
Excess (Deficiency) of Revenues Over Expenditures	(39,076,025)	(63,840,871)	(135,815,750)	(84,117,508)

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

2007	2008	2009	2010	2011	2012
\$196,490,568	\$248,560,390	\$277,728,502	\$281,808,058	\$265,214,494	\$283,821,219
2,513,899	2,436,623	1,750,008	2,460,003	1,897,589	2,302,247
11,299,537	10,949,847	10,919,337	17,497,711	23,453,928	21,430,669
29,948,910	31,299,042	10,996,692	3,037,728	1,358,433	644,610
2,344,784	2,183,555	2,116,608	1,909,984	1,875,863	1,707,174
0	0	0	16,270,249	0	0
213,837,132	218,696,480	252,144,552	239,861,668	258,430,367	201,246,287
65,064,133	69,088,928	68,590,338	98,229,824	99,735,718	76,002,666
13,762,600	22,821,498	15,545,489	13,513,339	23,474,337	18,648,335
<u>535,261,563</u>	<u>606,036,363</u>	<u>639,791,526</u>	<u>674,588,564</u>	<u>675,440,729</u>	<u>605,803,207</u>
182,770,612	171,397,040	208,745,852	213,567,573	211,093,487	214,253,633
70,735,576	71,042,866	71,892,127	77,417,798	78,530,889	74,082,237
6,394,581	6,635,484	5,474,802	6,390,238	6,851,832	4,113,849
31,921,738	38,748,252	673,707	369,633	609,796	558,733
27,326,156	23,025,194	24,873,130	29,369,730	30,236,201	27,954,618
42,360,630	44,151,479	43,556,762	39,776,483	49,750,441	46,617,867
348,361	398,416	432,078	341,454	346,538	393,684
35,301,777	32,704,791	33,010,049	35,249,350	36,399,488	29,336,439
3,294,436	2,853,139	2,924,642	6,790,917	7,049,604	7,189,097
1,071,324	1,198,346	1,338,302	1,198,780	1,280,016	1,558,587
41,047,302	39,830,779	40,587,586	41,379,393	48,264,749	47,192,721
23,234,772	23,043,622	29,623,267	31,456,572	27,202,285	29,814,983
14,965,653	18,826,176	18,714,730	10,105,563	14,474,208	18,885,526
27,119,187	25,947,645	25,494,720	27,092,882	30,506,964	27,961,981
5,348,011	4,973,632	6,616,085	6,347,799	5,764,915	7,139,576
121,280,997	128,811,748	121,159,988	122,738,738	125,449,441	136,262,738
26,350,000	19,685,000	19,900,000	17,035,000	24,605,000	19,715,000
35,072,745	39,759,435	38,011,339	35,394,959	36,665,669	35,923,014
<u>695,943,858</u>	<u>693,033,044</u>	<u>693,029,166</u>	<u>702,022,862</u>	<u>735,081,523</u>	<u>728,954,283</u>
(160,682,295)	(86,996,681)	(53,237,640)	(27,434,298)	(59,640,794)	(123,151,076)

(Continued)

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2003	2004	2005	2006
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	22,200,000	32,400,000	29,600,000	0
General Obligation Bonds Issued	125,000,000	480,000,000	0	26,800,000
Premium on General Obligation Bonds	7,097,571	13,300,428	0	3,817,959
Issuance of Refunding Bonds	0	0	0	69,405,000
Premium on Refunding Bonds	0	0	0	7,482,626
Payment to Refunded Bond Escrow Agent	0	0	0	(76,115,246)
New Capital Leases	273,894	0	0	0
Premium on Capital Leases	0	0	0	0
Transfers In	50,749,244	9,261,682	679,493,721	16,164,576
Transfers Out	(50,749,244)	(9,261,682)	(679,493,721)	(16,164,576)
<b>Total Other Financing Sources (Uses)</b>	<u>154,571,465</u>	<u>525,700,428</u>	<u>29,600,000</u>	<u>31,390,339</u>
<b>Net Change in Fund Balance</b>	<u>\$115,495,440</u>	<u>\$461,859,557</u>	<u>(\$106,215,750)</u>	<u>(\$52,727,169)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 8.00%	 9.86%	 12.49%	 13.16%

Source: District Treasurer's Office



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
0	0	0	0	0	0
0	0	0	21,715,000	3,000,000	26,250,000
0	0	0	0	0	0
380,945,000	0	0	104,900,000	0	0
48,836,975	0	0	9,387,925	0	0
(459,954,691)	0	0	(103,964,664)	0	0
120,365,000	0	0	0	0	0
7,503,350	0	0	0	0	0
14,626,125	155,775,182	152,935,825	410,008,330	196,495,786	185,798,244
(14,626,125)	(155,775,182)	(152,935,825)	(410,008,330)	(196,495,786)	(185,798,244)
97,695,634	0	0	32,038,261	3,000,000	26,250,000
<u>(\$62,986,661)</u>	<u>(\$86,996,681)</u>	<u>(\$53,237,640)</u>	<u>\$4,603,963</u>	<u>(\$56,640,794)</u>	<u>(\$96,901,076)</u>
10.89%	10.42%	10.05%	9.02%	10.06%	9.26%

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

*Assessed Valuations and Estimated True Values of Taxable Property  
(amounts in thousands)  
Last Ten Calendar Years*

<b>Tax year</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Real Property</b>				
Assessed	\$5,514,802	\$5,578,562	\$5,487,899	\$6,253,727
Actual	15,756,577	15,938,749	15,679,711	17,867,791
<b>Public Utility</b>				
Assessed	351,842	354,261	348,115	352,496
Actual	351,842	354,261	348,115	352,496
<b>Tangible Personal Property</b>				
Assessed	690,729	577,134	575,490	434,739
Actual	2,762,916	2,308,536	2,301,960	1,738,956
<b>Total</b>				
Assessed	6,557,373	6,509,957	6,411,504	7,040,962
Actual	18,871,335	18,601,546	18,329,786	19,959,243
<b>Assessed Value as a Percentage of Actual Value</b>				
	34.75%	35.00%	34.98%	35.28%
<b>Total Direct Tax Rate</b>				
	\$57.15	\$56.25	\$60.75	\$60.83

Source: Hamilton County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 100% and Assessed Value of Tangible Personal Property is at 25% through 2005, at 18.75% for 2006, 12.5% for 2007, and 6.25% for 2008 and 0% for 2009. Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 10% as of 2009 and 0% for 2010.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2006	2007	2008	2009	2010	2011
\$6,270,949	\$6,273,021	\$6,275,000	\$6,290,000	\$6,292,744	\$5,707,605
17,916,997	17,922,917	17,928,571	17,971,429	17,979,269	16,307,443
339,324	282,091	281,000	281,000	304,596	322,343
339,324	282,091	281,000	281,000	304,596	322,343
297,008	181,603	31,500	15,500	0	0
1,584,043	1,452,824	504,000	248,000	0	0
6,907,281	6,736,715	6,587,500	6,586,500	6,597,340	6,029,948
19,840,364	19,657,832	18,713,571	18,500,429	18,283,865	16,629,786
34.81%	34.27%	35.20%	35.60%	36.08%	36.26%
\$59.77	\$59.37	\$59.67	\$67.95	\$67.87	\$68.54

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Property Tax Rates of Direct and Overlapping Governments  
(per \$1,000 of assessed value)  
Last Ten Calendar Years*

Collection Year	2003	2004	2005	2006	2007
<b>Direct District Rates</b>					
General Fund	56.11	56.09	56.19	55.13	54.81
Bond Retirement Fund	0.14	4.66	4.64	4.64	4.56
Total	<u>56.25</u>	<u>60.75</u>	<u>60.83</u>	<u>59.77</u>	<u>59.37</u>
<b>Overlapping Rates</b>					
Hamilton County	21.47	21.87	21.51	20.81	20.18
Cities:					
Cheviot	12.42	12.24	12.22	14.52	14.52
Cincinnati	10.63	10.36	10.34	10.19	9.93
Indian Hill	0.96	0.96	0.96	0.96	0.96
Madeira	7.50	7.50	7.50	7.50	7.50
Norwood	11.40	11.40	11.40	11.40	11.40
Silverton	8.15	8.15	8.15	8.15	8.15
Wyoming	10.00	10.00	10.00	10.00	10.00
Villages:					
Amberly	7.00	7.00	7.00	7.00	7.00
Fairfax	2.76	2.76	2.76	2.76	2.76
Golf Manor	24.52	24.52	24.52	30.52	30.52
Mairemont	12.44	14.37	14.37	14.37	14.37
Townships:					
Anderson	14.15	14.15	14.15	14.15	14.15
Columbia	17.96	21.26	21.26	21.26	14.76
Delhi	20.46	20.46	20.46	26.34	26.34
Green	8.31	8.31	8.31	9.81	9.81
Springfield	20.30	20.30	20.30	20.30	20.30
Sycamore	7.75	7.75	7.75	7.75	8.75
Fairfax - Madison Pl.	2.50	2.76	2.76	2.76	0.00
Total	<u>276.93</u>	<u>286.87</u>	<u>286.55</u>	<u>300.32</u>	<u>290.77</u>

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

**Source:**

Hamilton County Auditor's Office  
Hamilton County Treasurer's Office

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2008	2009	2010	2011	2012
54.90	62.95	62.87	63.54	65.76
4.77	5.00	5.00	5.00	5.00
<u>59.67</u>	<u>67.95</u>	<u>67.87</u>	<u>68.54</u>	<u>70.76</u>
20.56	20.63	20.48	19.45	19.03
14.52	14.52	20.13	20.13	20.13
9.89	9.89	9.82	0.00	10.50
0.96	0.96	0.96	0.96	0.96
7.50	7.50	7.50	7.50	7.50
11.40	11.40	11.40	11.40	11.40
8.15	8.15	8.15	8.15	8.15
10.00	10.00	10.00	10.00	10.00
7.00	7.00	7.00	7.00	7.00
2.76	2.76	2.76	2.76	2.76
38.52	38.52	38.52	38.52	38.52
14.37	14.37	14.37	14.37	14.37
14.15	16.85	16.85	16.85	16.85
14.76	18.76	14.76	14.76	17.01
26.34	26.34	26.34	26.34	26.34
9.81	11.71	11.71	11.71	11.71
20.30	20.30	22.80	22.80	22.80
8.75	8.75	8.75	8.75	8.75
0.00	0.00	0.00	0.00	0.00
<u>299.41</u>	<u>316.36</u>	<u>320.17</u>	<u>309.99</u>	<u>324.54</u>



## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Principal Taxpayers  
Real Estate Tax and Public Utilities Personal Property  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2011		
		Assessed Value	Rank	Percent of Total Assessed Value
Duke Energy Ohio Inc: Tax Dept	Real Estate Holdings	\$301,638,920	1	5.00%
City of Cincinnati	City Government	107,137,840	2	1.78%
The Procter & Gamble Co	Consumer Goods Manufacturing	54,842,840	3	0.91%
Emery Realty Co.	Real Estate Holdings	26,646,190	4	0.44%
Fifth Third Bank	Real Estate Holdings	25,071,230	5	0.42%
Ohio Teachers Retirement System	Real Estate Holdings	21,525,000	6	0.36%
Columbia Development Corp	Real Estate Holdings	20,448,030	7	0.34%
Regency Centers LP	Real Estate Holdings	17,937,490	9	0.30%
Duke Energy Ohio Inc	Utilities	14,562,490	8	0.24%
Cincinnati Bell Telephone	Public Utility	16,610,230	10	0.28%
Subtotal		606,420,260		10.07%
All Others		5,423,528,290		89.93%
Total		\$6,029,948,550		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Cinergy	Public Utility	\$239,427,820	1	3.97%
The Procter & Gamble Co.	Consumer Goods Manufacturing	120,653,810	2	2.00%
Cincinnati Bell Telephone, Inc.	Public Utility	80,414,960	3	1.33%
City of Cincinnati	City Government	55,310,670	4	0.92%
Emery Realty	Real Estate Holdings	30,975,000	5	0.51%
Prudential Insurance	Real Estate Holdings	28,000,000	6	0.46%
Columbia Development	Real Estate Holdings	27,720,000	7	0.46%
Ohio Teachers Retirement System	Real Estate Holdings	26,320,000	8	0.44%
Fifth Third Center	Real Estate Holdings	21,350,000	9	0.35%
Fath Properties Limited	Real Estate Holdings	18,803,980	10	0.31%
Subtotal		648,976,240		10.75%
All Others		5,386,049,160		89.25%
Total		\$6,035,025,400		100.00%

Source: Hamilton County Auditor - Land and Buildings  
Based on valuation of property in 2011 and 2002

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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*Property Tax Levies and Collections  
(amounts in thousands)  
Last Ten Years*

<b>Collection Year</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Total Tax Levy (1)</b>	\$236,177	\$269,841	\$268,011
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections (2)	208,901	232,064	231,599
Percent of Levy Collected	88.45%	86.00%	86.41%
Delinquent Tax Collections	<u>9,007</u>	<u>10,874</u>	<u>10,910</u>
Total Tax Collections	217,908	242,938	242,509
<b>Percent of Total Tax Collections To Tax Levy</b>	92.26%	90.03%	90.48%
<b>Accumulated Outstanding Delinquent Taxes (3)</b>	7,138	9,655	11,049
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	3.02%	3.58%	4.12%

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included; December 2005 settlement estimate included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs. Delinquent taxes based upon levy year, not collection year.

Source: Hamilton County Auditor's Office  
Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2005	2006	2007	2008	2009	2010	2011
\$277,611	\$276,704	\$281,679	\$278,080	\$310,725	\$325,378	\$310,483
237,378	232,726	234,117	255,997	250,932	260,668	256,563
85.51%	84.11%	83.11%	92.06%	80.76%	80.11%	82.63%
12,621	12,233	12,665	14,997	12,543	16,232	15,936
249,999	244,959	246,782	270,994	263,475	276,900	272,499
90.05%	88.53%	87.61%	97.45%	84.79%	85.10%	87.77%
12,343	12,395	17,877	21,615	29,563	29,345	22,483
4.45%	4.48%	6.35%	7.77%	9.51%	9.02%	7.24%

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Ratio of Outstanding Debt By Type Last Ten Years

	2003	2004	2005	2006
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$246,547,692	\$732,790,633	\$721,838,146	\$736,003,676
Long-Term Notes Payable	22,200,000	32,400,000	29,600,000	0
Tax Anticipation Notes Payable	10,000,000	5,000,000	0	43,600,000
Capital Leases	470,019	172,081	29,772	0
Total Primary Government	<u>\$279,217,711</u>	<u>\$770,362,714</u>	<u>\$751,467,918</u>	<u>\$779,603,676</u>
<b>Population</b> <sup>(2)</sup>				
City of Cincinnati	331,285	331,285	331,285	331,285
Outstanding Debt Per Capita	843	2,325	2,268	2,353
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	11,977,940	12,342,354	13,074,825	13,702,279
Percentage of Personal Income	2.33%	6.24%	5.75%	5.69%

**Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
\$673,331,045	\$651,203,169	\$628,860,293	\$640,782,247	\$624,312,582	\$636,566,647
0	0	0	0	0	0
35,730,000	27,455,000	18,755,000	9,610,000	0	0
126,617,792	125,367,234	124,116,676	122,866,118	114,960,560	106,715,000
<u>\$835,678,837</u>	<u>\$804,025,403</u>	<u>\$771,731,969</u>	<u>\$773,258,365</u>	<u>\$739,273,142</u>	<u>\$743,281,647</u>
331,285	331,285	331,285	331,285	332,252	296,223
2,523	2,427	2,330	2,334	2,225	2,509
13,525,704	13,740,708	14,155,808	12,965,832	12,577,898	12,571,087
6.18%	5.85%	5.45%	5.96%	5.88%	5.91%

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

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2003	2004	2005	2006
<b>Population</b> (1)	331,285	331,285	331,285	331,285
<b>Assessed Value</b> (in thousands) (2)	6,557,373	6,509,957	6,411,504	7,040,962
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	246,547,692	732,790,633	721,838,146	736,003,676
<b>Resources Available to Pay Principal</b> (4)	5,501,964	15,765,336	15,714,852	21,561,481
<b>Net General Bonded Debt</b>	241,045,728	717,025,297	706,123,294	714,442,195
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	3.68%	11.01%	11.01%	10.15%
<b>Net Bonded Debt per Capita</b>	728	2,164	2,131	2,157

**Source:**

(1) U.S. Bureau of Census of Population

(2) Hamilton County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
331,285	331,285	331,285	331,285	332,252	296,223
6,907,281	6,736,715	6,587,500	6,586,500	6,597,340	6,029,948
673,331,045	651,203,169	628,860,293	640,782,247	624,312,582	636,566,647
24,674,972	23,190,860	9,466,772	12,439,296	(282,873)	28,654,095
648,656,073	628,012,309	619,393,521	628,342,951	624,595,455	607,912,552
9.39%	9.32%	9.40%	9.54%	9.47%	10.08%
1,958	1,896	1,870	1,897	1,880	2,052



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2012*

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to Cincinnati Public School District</b>	<b>Amount Applicable to Cincinnati Public School District</b>
<b>Direct:</b>			
Cincinnati Public School District	\$636,566,647	100.00%	\$636,566,647
<b>Overlapping:</b>			
Hamilton County	87,625,000	32.96%	28,881,200
Cities:			
Cincinnati	436,230,000	99.98%	436,142,754
Madeira	960,000	0.46%	4,416
Norwood	2,699,148	0.03%	810
Silverton	855,000	93.12%	796,176
Villages:			
Amberly	6,220,000	100.00%	6,220,000
Golf Manor	137,000	100.00%	137,000
Townships:			
Delhi	5,215,000	1.59%	82,919
Springfield	11,215,000	4.86%	545,049
Anderson Township	21,315,000	0.31%	66,077
Sycamore Township	19,510,000	3.43%	669,193
Anderson Township Park District	89,556	0.31%	278
Deer Park - Silverton Fire District	463,445	41.97%	194,508
Little Miami Jt Fire & Rescue District	7,950,000	19.44%	1,545,480
	<u>600,484,149</u>	Subtotal	<u>475,285,860</u>
		Total	<u><u>\$1,111,852,507</u></u>

Source: Hamilton County Auditor

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Debt Limitations  
(amounts in thousands)  
Last Ten Years*

Collection Year	2003	2004	2005	2006
<b>Net Assessed Valuation</b>	\$6,557,373	\$6,509,957	\$6,411,504	\$7,040,962
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	590,164	585,896	577,035	633,687
Applicable District Debt Outstanding	246,548	732,791	721,838	736,004
Less: Applicable Debt Service Fund Amounts (2)	(5,502)	(15,765)	(15,715)	(21,561)
Net Indebtedness Subject to Limitation	241,046	717,025	706,123	714,442
Overall Legal Debt Margin	<u>\$349,118</u>	<u>(\$131,129)</u>	<u>(\$129,088)</u>	<u>(\$80,756)</u>
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	6,557	6,510	6,412	7,041
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$6,557</u>	<u>\$6,510</u>	<u>\$6,412</u>	<u>\$7,041</u>
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	59,016	58,590	57,704	63,369
Authorized by the Board	0	0	0	(13,800)
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$59,016</u>	<u>\$58,590</u>	<u>\$57,704</u>	<u>\$49,569</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
\$6,907,281	\$6,736,715	\$6,587,500	\$6,586,500	\$6,597,340	\$6,029,948
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
621,655	606,304	592,875	592,785	593,761	542,695
673,331	651,203	628,860	640,782	624,313	636,567
(24,675)	(23,191)	(9,467)	(12,439)	0	(28,654)
648,656	628,012	619,394	628,343	624,313	607,913
(\$27,001)	(\$21,708)	(\$26,519)	(\$35,558)	(\$30,552)	(\$65,217)
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6,907	6,737	6,588	6,587	6,597	6,030
0	0	0	0	0	0
\$6,907	\$6,737	\$6,588	\$6,587	\$6,597	\$6,030
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
62,166	60,630	59,288	59,279	59,376	54,270
(11,290)	(8,655)	(5,900)	(24,740)	(24,715)	(50,965)
\$50,876	\$51,975	\$53,388	\$34,539	\$34,661	\$3,305

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005
<b>Population</b> (1)				
City of Cincinnati	331,285	331,285	331,285	331,285
Hamilton County	845,303	845,303	845,303	845,303
<b>Income</b> (2) (a)				
Total Personal (in thousands)	11,977,940	12,342,354	13,074,825	13,702,279
Per Capita	36,156	37,256	39,467	41,361
<b>Unemployment Rate</b> (3)				
Federal	5.8%	6.0%	5.5%	5.0%
State	5.7%	6.1%	6.0%	5.9%
Hamilton County	5.1%	5.1%	5.7%	5.7%
Fiscal Year	2003	2004	2005	2006
<b>School Enrollment</b> (4)				
Grades K - 5	19,826	18,153	16,907	15,964
Grades 6 - 8	10,004	9,690	9,071	8,573
Grades 9 - 12	10,580	10,936	11,190	11,029
Total	<u>40,410</u>	<u>38,779</u>	<u>37,168</u>	<u>35,566</u>

**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2006	2007	2008	2009	2010	2011
331,285	331,285	331,285	331,285	331,285	332,252
845,303	845,303	845,303	850,869	802,374	800,362
13,525,704	13,740,708	14,155,808	12,965,832	12,577,898	12,571,087
40,828	41,477	42,730	39,138	37,967	37,836
4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
5.5%	5.6%	6.6%	10.2%	10.1%	8.6%
5.0%	5.0%	5.6%	8.9%	9.4%	8.6%
2007	2008	2009	2010	2011	2012
15,534	15,279	15,486	15,545	15,105	14,982
7,606	7,278	7,311	7,053	6,976	6,713
11,089	10,681	10,558	9,927	9,928	9,061
34,229	33,238	33,355	32,525	32,009	30,756



## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2012	
		Number of Employees	Rank
The Kroger Co.	National Grocery Retailer	19,000	1
University of Cincinnati	Education	15,374	2
The Proctor & Gamble Co	Consumer Goods Manufacturing	12,500	3
Cincinnati Childrens Hospital	Medical	12,332	4
TriHealth	Health Care System	10,197	5
Mercy Health Partners	Health Care	8,817	6
Archdiocese of Cincinnati	Religious	7,500	7
GE Aviation	Health Care	7,400	8
St. Elizabeth Healthcare	Health Care	7,300	9
Fifth Third Bank Corp.	Financial Institution	7,063	10
Total		<u>107,483</u>	

Employer	Nature of Business	2003	
		Number of Employees	Rank
University of Cincinnati	Education	15,400	1
Health Alliance of Grtr Cinti	Health Care System	13,139	2
The Proctor & Gamble Co	Consumer Goods Manufacturing	13,000	3
The Kroger Co.	National Grocery Retailer	13,000	4
Toyota Motor Mfg	Auto Manufacturing	8,360	5
Fifth Third Bank Corp.	Financial Institution	7,800	6
Cincinnati Public Schools	Education	7,335	7
City of Cincinnati	Government	7,223	8
TriHealth	Health Care System	7,055	9
Cincinnati Childrens Hospital	Medical	7,029	10
Total		<u>99,341</u>	

**Sources:** Cincinnati USA,  
Business Courier 2011 Book of Lists

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### School District Employees by Type Last Ten Years

	2003	2004	2005	2006	2007
<b>Supervisory</b>					
Executive Administration	0.00	0.00	0.00	0.00	0.00
Principals	90.80	88.20	81.00	73.00	76.00
Assistant Principals	54.00	59.90	58.80	51.80	50.30
Supervisor/Coordinator/Director	0.00	0.00	0.00	0.00	0.00
Consultants/Supervisors of Instruction	34.32	16.80	9.50	3.00	23.80
Instructional Administrators	6.80	4.00	2.00	4.00	3.00
Noninstructional Administrators	45.14	45.50	43.00	34.00	37.40
Other Official/Administration	0.00	0.00	0.00	0.00	0.00
<b>Instruction</b>					
Classroom Teachers	3,165.06	3,115.73	3,035.34	2,719.36	2,480.04
Teacher Support	0.00	0.00	0.00	0.00	0.00
<b>Student Services</b>					
Guidance Counselors	23.00	20.00	21.00	18.00	19.00
Instructional Paraprofessional/T. Aide	0.00	0.00	0.00	0.00	0.00
Librarians/Librarian Aide	46.00	29.30	32.00	27.00	28.90
Psychologists	68.61	76.90	75.35	77.50	72.85
Therapist/Therapist Asst./Interpreter	0.00	0.00	0.00	0.00	0.00
Social Workers	68.76	37.40	40.80	34.50	40.68
Other Professionals (noninstructional)	117.21	67.94	89.97	80.83	108.64
<b>Support Services</b>					
Accounting/Office Clerical	0.00	0.00	0.00	0.00	0.00
Clerical/Secretaries	419.30	441.30	423.78	392.49	351.32
Custodial/Grounds	0.00	0.00	0.00	0.00	0.00
Food Service	251.64	254.45	238.20	213.26	207.71
Maintenance/Trade Crafts	0.00	0.00	0.00	0.00	0.00
Maintenance/Grounds	425.03	404.19	389.60	364.00	401.04
Safety/Security	166.40	165.61	150.67	138.51	116.66
Technical	0.00	0.00	0.00	0.00	0.00
Tutors/Aides	1,067.45	1,023.53	933.88	889.50	895.56
Other Support Services	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>5,870.40</u>	<u>5,685.85</u>	<u>5,475.59</u>	<u>4,992.95</u>	<u>4,762.80</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

\* Beginning in 2011, additional detail categories were added to align with Ohio Department of Education Management Information System (EMIS) Staff Summary Report

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
			*	
0.00	0.00	0.00	9.00	11.00
68.00	57.00	56.00	56.00	53.00
39.00	40.50	41.00	41.00	36.60
0.00	0.00	0.00	76.00	63.75
25.00	22.80	25.00	0.00	0.00
2.00	4.00	5.00	0.00	0.00
36.00	58.00	62.00	0.00	0.00
0.00	0.00	0.00	2.00	2.00
2,268.05	2,178.67	2,193.00	2,118.00	1,973.74
0.00	0.00	0.00	99.00	74.45
17.60	16.80	17.00	15.00	14.00
0.00	0.00	0.00	843.00	791.95
25.55	24.60	24.00	23.00	21.30
63.40	71.20	72.00	62.00	53.60
0.00	0.00	0.00	102.00	107.77
37.10	35.63	31.00	21.00	17.73
107.12	110.91	113.00	68.00	81.91
0.00	0.00	0.00	286.00	264.99
332.37	335.68	324.00	0.00	0.00
0.00	0.00	0.00	198.00	193.00
183.38	173.19	164.00	164.00	165.12
0.00	0.00	0.00	125.00	117.99
367.03	344.77	339.00	0.00	0.00
144.27	148.67	113.00	119.00	99.00
0.00	0.00	0.00	19.00	31.05
938.84	1,019.54	957.00	0.00	0.00
0.00	0.00	0.00	23.00	26.97
<u>4,522.71</u>	<u>4,521.66</u>	<u>4,414.00</u>	<u>4,469.00</u>	<u>4,200.92</u>

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

### *Operating Indicators - Cost per Pupil Last Ten Years*

Fiscal Year	2003	2004	2005	2006
Enrollment	40,410	38,779	37,168	35,566
Modified Accrual Basis				
Operating Expenditures (1)	492,088,066	555,222,896	539,653,410	549,273,027
Cost per Pupil	12,177	14,318	14,519	15,444
Percentage of Change	9.8%	17.6%	1.4%	6.4%
Accrual Basis				
Operating Expenses (2)	496,926,347	557,773,531	581,527,086	525,843,641
Cost per Pupil	12,297	14,383	15,646	14,785
Percentage of Change	8.4%	17.0%	8.8%	(5.5%)
Teaching Staff	2,953	2,929	2,565	2,639

Source: District Treasurer's Office and Ohio Department of Education

N/A = Not available

(1) Expenditures do not include debt service or capital outlay

(2) Expenses do not include interest expense



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
34,229	33,238	33,355	32,525	32,009	30,756
513,240,116	504,776,861	513,957,839	526,854,165	548,361,413	537,053,531
14,994 (2.9%)	15,187 1.3%	15,409 1.5%	16,198 5.1%	17,131 5.8%	17,462 1.9%
514,755,031	523,834,057	537,347,897	541,046,687	561,569,166	563,999,462
15,039 1.7%	15,760 4.8%	16,110 2.2%	16,635 3.3%	17,544 5.5%	18,338 4.5%
2,401	2,351	2,384	2,193	2,363	2,023

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Operating Indicators by Function Last Eight Years

	2005	2006	2007
<b>Governmental Activities</b>			
Support Services			
Pupils			
Enrollment	37,168	35,566	33,881
Graduates	1,607	1,821	1,769
Percent of Students with Disabilities	19.85%	20.14%	20.50%
Percent of Students with English as Second Language	1.34%	1.80%	3.20%
Administration			
School Attendance Rate	94.40	94.80	94.70
Fiscal Services			
Purchase Orders Processed	8,417	6,007	18,758
Checks Issued (non payroll)	34,613	29,979	27,395
Operation and Maintenance of Plant			
District Square Footage Maintained	7,846,612	7,775,142	7,949,000
District Square Acreage Maintained	925	925	925
Percentage of Capacity Used	72.00%	68.93%	95.90%
Average Age of Buidlings	59	57	51
Pupil Transportation			
Average Daily Students Transported	33,966	35,761	25,862
Average Daily Bus Fleet Miles	26,736	26,685	25,081
Number of Buses	354	350	328
Operation of Noninstructional Services			
Food Service			
Students Meals Served Daily	5,123,651	4,883,113	4,303,328
Free/Reduced Price Meals Daily	4,443,305	4,242,694	3,721,980
Percentage of Students Receiving Free and Reduced Lunch	86.72%	86.89%	86.49%
Extracurricular Activities			
High School Varsity Teams	121	126	145

Source: District Treasurer's Office

Information not available in this format prior to 2005

\* 2012 enrollment data reflects an October 2011 enrollment head count.

Prior years reflect a count as of June 30.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2008	2009	2010	2011	2012
33,438	33,121	32,525	32,009	30,756 *
1,803	1,799	1,766	1,736	1,605
18.22%	20.00%	20.80%	21.00%	20.10%
3.00%	3.10%	3.70%	3.70%	4.30%
94.80	95.20	97.90	95.80	95.00
21,595	19,293	19,943	16,250	0
27,485	24,083	26,662	25,885	22,137
7,949,000	6,977,896	5,916,068	5,983,415	5,892,176
925	755	755	755	755
86.00%	92.42%	94.55%	93.03%	0.00%
46	42	37	36	19
23,676	24,585	20,894	19,938	20,984
25,415	29,690	30,917	31,079	24,912
431	358	413	426	427
3,315,962	5,298,035	5,248,226	5,613,070	5,920,539
2,893,212	4,629,370	4,679,097	3,972,566	5,265,433
87.25%	87.38%	89.16%	70.77%	88.94%
100	126	142	144	126

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

### *Operating Indicators - Teacher Base Salaries Last Ten Years*

Fiscal Year	2003	2004	2005	2006
Minimum Salary	32,657	33,866	34,882	35,824
Maximum Salary	71,696	76,581	78,879	81,008
District Average Salary	43,967	55,348	58,362	60,275
County Average Salary	47,239	52,837	54,288	54,967
State Average Salary	45,515	47,495	49,438	50,772

Source: District Treasurer's Office and Ohio Department of Education

### *Operating Indicators - Teacher Base Salaries Last Ten Years*

Fiscal Year	2003	2004	2005	2006
Bachelor's Degree	463	413	243	230
Bachelor + 15	772	723	658	692
Master's Degree	1,199	1,236	1,077	1,111
Master's Degree + 30	472	506	541	560
Doctorate	47	51	46	46
Total	2,953	2,929	2,565	2,639

Source: District Treasurer's Office

N/A = not available

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2007	2008	2009	2010	2011	2012
35,824	36,905	36,905	36,905	39,262	40,926
81,008	83,455	87,979	87,979	83,455	83,455
62,760	64,029	67,097	64,344	64,638	65,966
54,576	55,001	58,300	48,000	42,195	N/A
51,346	53,410	54,656	53,000	56,715	N/A

2007	2008	2009	2010	2011	2012
155	160	159	152	197	127
570	519	519	488	486	401
1,083	1,080	1,088	1,033	1,054	958
549	545	567	486	572	507
44	47	51	34	54	30
2,401	2,351	2,384	2,193	2,363	2,023

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Capital Asset Statistics by Building Last Eight Years

	2005	2006	2007	2008
<b>School Buildings</b>				
<b>High Schools</b>				
Number of Buildings	11	10	10	11
Square Footage	2,838,696	2,667,745	2,882,307	2,638,069
Capacity (students)	16,031	15,081	11,361	14,655
Enrollment	12,483	12,050	10,895	10,681
<b>Elementary Schools</b>				
Number of Buildings	59	53	50	47
Square Footage	4,601,341	4,398,912	4,752,707	4,348,245
Capacity (students)	35,043	33,522	24,129	26,607
Enrollment	24,685	23,516	23,140	22,557
<b>All Other</b>				
<b>Central Administration Building</b>				
Square Footage	140,033	140,033	140,033	140,033
<b>Maintenance Building</b>				
Square Footage	150,779	150,779	150,779	150,779

Source: District Treasurer's Office

Information not available in this format prior to 2005

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2009	2010	2011	2012
11	11	13	13
2,638,069	2,443,649	2,469,919	2,668,672
13,415	10,950	11,600	10,192
12,597	9,927	12,587	9,061
46	46	43	46
3,583,896	3,472,389	3,222,684	3,371,043
21,450	23,915	22,800	23,474
20,524	22,598	19,422	21,695
140,033	140,033	140,033	140,033
150,779	150,779	150,779	150,779

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Educational and Operating Statistics Last Ten Years

	2003	2004	2005	2006	2007
<b>ACT Scores (Average)</b>					
Cincinnati	19.7	19.5	19.7	19.4	19.4
Ohio	21.4	21.4	21.1	21.5	21.6
National	20.8	20.9	20.6	21.1	21.2
<b>SAT Scores (Average)</b>					
Cincinnati					
Verbal	530	522	508	483	475
Mathematical	523	511	508	480	469
Ohio					
Verbal	536	540	539	535	536
Mathematical	541	540	543	544	542
National					
Verbal	507	510	508	503	502
Mathematical	519	510	520	518	515
<b>National Merit Scholars</b>					
Finalist	5	6	5	3	3
Semi-Finalist	13	14	17	13	15
<b>Cost per Student (ODE)</b>					
Cincinnati	10,981	12,667	12,734	11,970	12,025
Ohio (Average)	8,441	8,768	9,028	8,744	9,343
<b>Cost to Educate a Graduate</b>					
Cincinnati	99,730	106,735	113,248	118,613	121,514
Ohio (Average)	79,747	84,129	88,133	88,671	91,193
<b>Attendance Rate</b>					
Cincinnati	90.80%	94.80%	94.40%	94.80%	94.70%
Ohio (Average)	94.90%	95.30%	95.20%	94.10%	94.10%
<b>Graduation Rate</b>					
Cincinnati	61.00%	72.10%	77.00%	76.60%	77.20%
Ohio (Average)	83.90%	84.30%	85.90%	86.20%	86.10%

**Source:**

District's Student Records and Ohio Department of Education

Note: Information was not available prior to 2002.



**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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2008	2009	2010	2011	2012
19.0	18.9	19.1	18.1	19.3
21.7	21.7	21.8	21.8	21.8
21.1	21.1	21.0	21.1	21.1
497	518	524	513	548
486	508	514	501	535
534	537	538	539	543
544	546	548	545	548
502	501	501	497	496
515	515	516	514	514
0	0	7	0	17
11	21	21	19	22
12,315	13,012	13,449	14,067	14,720
9,939	10,184	10,513	10,513	10,571
129,086	135,319	148,331	161,780	175,847
101,747	105,992	116,176	126,689	137,202
94.80%	95.20%	97.90%	95.80%	95.00%
94.20%	94.30%	94.30%	94.50%	94.20%
80.00%	82.90%	80.40%	81.90%	63.90%
86.90%	84.60%	83.00%	84.30%	83.80%





# Dave Yost • Auditor of State

CINCINNATI CITY SCHOOL DISTRICT

HAMILTON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 12, 2013