



**CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited the financial statements of the Cincinnati City School District, Hamilton County, Ohio (the District), as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated December 31, 2001, in which we noted the District adopted Governmental Accounting Standards Board Statements No. 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-10431-001 through 2001-10431-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 31, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2001-10431-005 through 2001-10431-008.

Cincinnati City School District
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 31, 2001.

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

Jim Petro
Auditor of State

December 31, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Education:

Compliance

We have audited the compliance of the Cincinnati City School District, Hamilton County, Ohio (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 are applicable to each of its major federal programs for the fiscal year ended June 30, 2001. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2001. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 31, 2001.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We noted other matters involving the internal control over federal compliance that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 31, 2001.

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated December 31, 2001, in which we noted the District adopted Governmental Accounting Standards Board Statements No. 33 and 36. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Jim Petro
Auditor of State

February 14, 2002, except for the report on the Schedule of Federal Award Expenditures which is dated December 31, 2001.

**CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$0	\$672,359	\$0	\$672,359
National School Breakfast Program	05-PU	10.553	1,760,813	0	1,760,813	0
National School Lunch Program	04-PU	10.555	7,039,396	0	7,039,396	0
National Child Care Program	05-PU	10.558	99,308	0	85,471	0
Summer Food Service Program	23-ML	10.559	207,853	0	207,853	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			9,107,370	672,359	9,093,533	672,359
U.S. DEPARTMENT OF EDUCATION						
Impact Aid - Facilities Maintenance	--XX--	84.040	59,342	0	53,219	0
Federal Pell Grant Program	--XX--	84.063	159,293	0	309,769	0
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	2,893,351	0	3,631,731	0
Special Education - Preschool Grant	PG-S1	84.173	99,171	0	135,433	0
Total Special Education Cluster			2,992,522	0	3,767,164	0
School to Work Program	--XX--	17.249	10,000	0	5,930	0
Adult Education - State Grant Program	AB-S1	84.002	656,130	0	384,127	0
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	18,350,863	0	17,155,561	0
Vocational Education Basic Grants to State	20-C2	84.048	1,487,755	0	1,108,571	0
Drug-Free Schools Grant	DR-S1	84.186	628,673	0	425,898	0
Education for Homeless Children and Youth	HC-S1	84.196	97,977	0	105,410	0
Even Start - State Education Agencies	EV-S1	84.213	199,494	0	155,574	0
Capital Expenses	CX-S1	84.216	0	0	357,854	0
Goals 2000 - State and Local Education Systemic Improvement	G2-SP	84.276	351,534	0	217,130	0
Eisenhower Prof. Dev. State Grant	MS-S1	84.281	529,710	0	555,663	0
Innovative Educational Program Strategies	C2-S1	84.298	139,588	0	342,476	0
Comprehensive School Reform	RF-S1	84.332	201,538	0	201,609	0
Class Size Reduction	CR-S1	84.340	2,347,330	0	2,678,790	0
Emergency Immigration Act	E1-S1	84.162	18,450	0	18,151	0
Technology Literacy Challenge Fund Grant	TF-41	84.318	175,000	0	175,000	0
Technology Literacy Challenge Fund Grant	TF-42	84.318	125,000	0	117,889	0
Total Department of Education			28,405,199	0	28,135,785	0

(Continued)

CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)

FEDERAL GRNTOR/ <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Administration for Children, Youth, and Families - Head Start	--XX--	93.600	1,722,118	0	2,154,106	0
Department of Mental Retardation and Developmental Disabilities	--XX--	93.778	2,106,927	0	2,106,927	0
Total Department of Health and Human Services			<u>3,829,045</u>	<u>0</u>	<u>4,261,033</u>	<u>0</u>
TOTAL FEDERAL ASSISTANCE			<u>\$41,341,614</u>	<u>\$672,359</u>	<u>\$41,490,351</u>	<u>\$672,359</u>

The accompanying notes to this schedule are an integral part of this schedule.

**CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2001**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At June 30, 2001, the District had food commodities in inventory.

NOTE C -- MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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**CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Headstart - 93.600 Title VI - 84.298 Title XIX- 93.778 Vocational Education -84.048 Comprehensive School Reform - 84.332 Title I - 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$1,253,554 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2001-10431-001

Material Noncompliance

Ohio Rev. Code, Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This Section also provides for two exceptions to the above requirements:

Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Education may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.

If the amount involved is less than \$1,000 dollars, the Treasurer may authorize payment through a Then and Now Certificate without affirmation of the Board of Education, if such expenditure is otherwise valid.

Overall Disbursements

- Fourteen percent (14%) of the transactions tested did not have certification prior to the obligation date and neither of the two exceptions provided above were utilized.

Contracts

- Thirteen percent (13%) of the contracts tested did not have certification prior to the obligation date and neither of the two exceptions provided above were utilized.

Federal Headstart Program

- Thirty-three percent (33%) of the transactions tested did not have certification prior to the obligation date and neither of the two exceptions provided above were utilized.

The fiscal officer cannot properly certify funds are available and free from previous encumbrances when the District fails to properly encumber its liabilities. In addition, failure to encumber could result in unauthorized expenditures and deficit fund balances. The District should enforce their policy of processing expenditures and initiating a purchase order for every transaction to provide assurance that a purchase order is issued before any items or services are ordered. The District should not approve the payment of an expenditure when proper procedures are not followed.

FINDING NUMBER 2001-10431-002

Material Noncompliance

Ohio Rev. Code, Section 5705.36(A), requires a subdivision to certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget. The amount certified shall include any unencumbered balances that existed at the end of the preceding year, excluding the principal of a nonexpendable trust fund established under 5705.131 of the Revised Code. Contrary to this section, the District did not exclude the nonexpendable trust fund balance from their trust and agency unencumbered balance on their certificate of available resources.

Fund [Fund Number]	Total Amount Available plus Balances	Principal to be Excluded	Total Amount Available Less Principal
Non-Expendable Trust Fund [008]	\$1,015,143	\$937,556	\$77,587

FINDING NUMBER 2001-10431-003

Material Noncompliance

Ohio Rev. Code, Section 9.833(C)(2), requires a subdivision to establish a separate internal service fund by ordinance or resolution to account for all claims, administrative and other program associated costs relating to self insurance. The District became self insured for medical insurance purposes and did not establish the required separate internal service fund. Costs associated with the District's self insurance were expensed primarily in the General Fund and various other funds with payroll expenses.

FINDING NUMBER 2001-10431-004

Material Noncompliance

Ohio Rev. Code, Section 149.351 (A), provides that "All records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Sections 149.38 to 149.42, Ohio Rev. Code. Contrary to this Section, the District could not provide 35% of the state withholding forms for the employees selected for review.

FINDING NUMBER 2001-10431-005

Reportable Condition

Payroll processing involves three separate computer systems, Peoplesoft, Integris, and Oracle. Although the allocation of payroll expenditures among the various payroll accounts should be the same in each system, we noted 26.67% of the transactions reviewed had discrepancies among the three systems. Time distribution reports are printed on a monthly basis by the payroll department, however, the department does not print time distribution reports for each pay period. When prior information is not maintained fund allocations cannot be fully verified. Since the payroll system is a point in time system, this procedure does not allow for verification of an employee's pay allocation to funds and functions for each pay period. When the general ledger system (Oracle) does not match the payroll system (Integris), and Integris does not correspond to Peoplesoft, payroll could be allocated to the wrong funds and functions. This could cause an inaccurate amount of expenditures being shown in the funds and functions.

**FINDING NUMBER 2001-10431-005
(Continued)**

While the District is in the process of acquiring and installing a new payroll system we recommend allocation of payroll expenditures within the three computer systems be closely monitored each pay period, and that the payroll department print the time distribution report for every pay period to assist in this monitoring until the new system is implemented. Maintaining and retaining payroll reports listing each employee, his/her gross pay, the pay date and account allocation will provide the District information necessary to review payroll to ensure that each employee's compensation is being allocated to the proper account. It will also provide backup when there is a question regarding a previous payroll. We also recommend the District's Federal Administrator document that the monthly Oracle payroll reports have been reviewed to ensure employee wages paid from federal funds have been properly charged to the correct fund in order to comply with the requirements of Circular A-87 regarding support of time distribution for wages and salaries for employees allocated to federal programs.

FINDING NUMBER 2001-10431-006

Reportable Condition

The District's third party administrator (TPA) for medical expenses (Humana Choice Care) performs monthly reconciliation reports that are sent to the District; however, the District's human resources department does not adequately review or approve them. If the District does not review the reconciliation reports, then discrepancies between the TPA and the District's records may not be detected. By reviewing the reconciliation reports, errors can be detected and corrected in a timely manner. We recommend that the monthly reconciliation reports from the TPA be reviewed by the District's human resources department for any discrepancies and initialed when the review is completed.

FINDING NUMBER 2001-10431-007

Reportable Condition

The District has a policy that specifically states that student store sales of merchandise to pupils shall not exceed cost plus a markup of ten percent (10%). We reviewed the markup on merchandise sold at four student stores: Burton, Millvale, Shroder, and Hughes. At all schools, the markup exceeded the cost plus 10% markup policy by an average of 31%. We recommend that the District review student store pricing so that such merchandise is priced in accordance with District policy and made available to students at fair prices.

FINDING NUMBER 2001-10431-008

Reportable Condition

It is the policy of the District that the lunchroom manager's daily treasurer reports be verified by a second adult. Twenty-eight percent (28%) of the lunchroom manager's daily treasurer reports were not verified by a second adult. Failure to have a second verifying adult, could result in misappropriation of funds. We recommend a second adult sign the lunchroom manager's daily treasurer reports when cash is verified in accordance with District policy. This would also assist in detecting errors in a timely manner and hinder any potential misappropriations of funds.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2000-10431-001	ORC Section 117.28, finding for recovery for unaccounted public monies		Finding no longer valid for the current audit period. The District is still investigating this situation.
2000-10431-002	ORC Section 5705.14, requires a formal resolution for the approval of transfers; AOS Bulletin 97-003, states advances must be approved by formal resolution		Partially corrected, some improvement, moved to management letter.
2000-10431-003	ORC Section 5705.41(D), failure to properly encumber		Partially corrected, some improvement, issued as Finding 2001-10431-001 and management letter.
2000-10431-004	ORC Section 5705.39, requiring that total appropriations shall not exceed estimated revenue		Partially corrected, some improvement, moved to management letter
2000-10431-005	ORC Section 5705.41(D), disbursements plus encumbrances in excess of appropriations		Partially corrected, some improvement, moved to management letter
2000-10431-006	ORC Section 5705.36, estimated revenues in excess of actual revenues		Partially corrected, some improvement, management letter
2000-10431-007	Ohio Adm. Code Section 117-2-13, record keeping		Partially corrected, some improvement, management letter
2000-10431-008	Reportable condition/material weakness relating to budgetary noncompliance		Partially corrected, some improvement, management letter

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2000-10431-009	Reportable condition/material weakness relating to properly posting intergovernmental revenue		Partially corrected, some improvement, management letter



2001 Comprehensive Annual

Financial Report



Cincinnati Public Schools

Cincinnati City School District • Cincinnati, Ohio • Issued by: Office of Treasurer

2001 Comprehensive Annual

Financial Report

For the fiscal year ended June 30, 2001

Cincinnati City School District
Cincinnati, Ohio



Issued by:

Office of Treasurer/CFO

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**CINCINNATI CITY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2001**

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Introductory Section

Cincinnati City School District
Cincinnati, 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: 1-513-475-7170 « FAX: 1-513-475-4483

December 31, 2001

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, 2001. This report 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, 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 CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section, which is unaudited, includes this letter of transmittal, an organization chart and a list of the District's elected officials. The Financial Section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The Statistical Section, which is unaudited, includes selected financial, economic and demographic information, generally on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (June, 1997 Revision)*. Information related to this single audit, including a schedule of federal financial assistance, the independent auditor's 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.

The financial reporting entity includes all the funds and account groups of the primary government, the District, as well as its component units, if applicable. Component units are legally separate entities for which the primary government is financially accountable. There were no entities identified as component units of the District for this report. 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 District operates 77 school buildings: 63 elementary schools, 3 middle/junior high schools and 11 high schools. 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 been sensitive to an energy conservation program and is about to embark on a \$900 million, 10-year facilities improvement program. The District provides bus transportation (both private and public) and food services to its 42,000 students at buildings described above.

District Structure, Local Economic Condition and Outlook

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 governing body is the Board of Education, which is made up of seven elected-at-large members with staggered four-year terms.

Subject to the provision of the State Constitution, the District operates pursuant to the Ohio Revised Code. Under such law, there is no authority for the District to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education. The Board is charged with the duties and responsibilities of managing the affairs of the District pursuant to the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer. The Board of Education serves as the legislative body of the District.

In early November of every other year an election is held within the District boundaries to elect, in alternating elections, three and four members to the Board of Education. They are elected for a term of four years. At the Board's organizational meeting in January each year the Board members elect a president and vice president. The Board also elects a Treasurer if the previous term has expired. Pursuant to the Ohio Revised Code, the Treasurer of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools.

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

Steven Adamowski was appointed Superintendent in August 1998. Mr. Adamowski has been in the education profession for 29 years; 4 years as a teacher, 3 years as a principal, 4 years as Assistant Superintendent and 18 years as Superintendent. He holds a Bachelor of Science degree in Education and a Master's degree in education from Trinity College, Hartford Connecticut. Mr. Adamowski completed postgraduate work at St. Louis University and holds a Ph.D. in Educational Administration.

The Treasurer is appointed for a four-year term (following an initial two-year term) and serves as the fiscal 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, overseeing the District's purchasing operations, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Michael Geoghegan became Treasurer of the Cincinnati City School District in August 2000 after serving as Director of Finance of Hamilton County. Mr. Geoghegan is a certified public accountant, certified internal auditor and holds a Masters Degree in Business Administration from the University of Cincinnati.

The Business Executive reports to the Superintendent of Schools and is responsible for providing executive leadership to the management of school district business operations. The Business Executive oversees the functions of transportation, food services, facilities, building operations, information technology, and student information systems and is instrumental in addressing local school and District-wide needs. In addition, the Business Executive serves as the District's liaison to the State Legislature. Mr. Kent Cashell was appointed Business Executive in February 1999 after serving as Associate Secretary of Education in the State of Delaware Department of Education. Prior to that, Mr. Cashell had worked as a school district business manager and as a senior analyst for public education in the State of Delaware budget office.

The District employs 6,671 employees (including non-teaching personnel). Of the District's current employees, 3,949 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators. The starting salary for a teacher with a bachelor's degree for the contract period beginning August 1, 2000 was \$29,886. The maximum teacher salary for the 2000-2001

school year for a master's degree is \$57,917 with 27 years of experience. Total enrollment of the District for the 2000-2001 school year was 42,610 students in grades K – 12.

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.

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. The Ohio Bureau of Employment Services estimated total employment in Hamilton County at 431,400 in June 2001. This 97% employment rate compares favorably with the State of Ohio and national rate of 96.4% and 95.9%, respectively.

Fifty-four per cent (54%) of the U.S. population is within one hour's flight time and the Metropolitan Area is within 600 miles of 53% of the nation's purchasing power and 54% of the nation's manufacturing establishments. The corporate headquarters of numerous firms are located in the Metropolitan Area. Cincinnati is the home of several Fortune 500 corporations including Procter & Gamble, The Kroger Company, CInergy, and American Financial Corporation Fifth Third Bancorp, Ashland, Inc. and AK Steel. Nearly 400 Fortune 500 firms have operations in the Metropolitan Area.

The Metropolitan Area is a growing center for international business, with approximately 1,500 firms engaged in international trade. Metropolitan Area companies generate sales of approximately \$5.6 billion to customers outside the U.S. each year. Major export products include jet engines, plastics, machinery, computer software, paper and consumer goods. Directly imported products amount to over \$2 billion annually. Over 250 Greater Cincinnati firms are also owned by foreign firms from Japan, England, Western Europe and Canada. Foreign Trade Zone status is also available in Greater Cincinnati to assist firms engaged in international trade to lower import duty and tax expenses.

Metropolitan Cincinnati was the 31st largest metropolitan area in population according to the 1990 census. There are approximately 12.4 million net square feet of office space in the downtown area and 19.8 million net square feet in suburban office buildings and parks. There are approximately 2,000 million square feet of industrial space and 30 million square feet of retail space (1.6 million square feet downtown) in the area. At the end of 1999, Class A office space within the central business district was 98 percent occupied, the highest occupancy rate in 15 years. The estimated retail sales for 1999 in Hamilton County topped \$10.7 billion and sales surpassed \$20.5 billion for the entire Cincinnati Consolidated Metropolitan Statistical Area (CMSA).

The downtown area is home to the Dr. Albert B. Sabin Cincinnati Convention Center. The convention center has 162,000 total square feet of exhibit space and 88,000 square feet of meeting room space. The third floor includes a 30,000 square foot ballroom. Cincinnati's Central Business District is a full-scale regional office center. In the past 15 years, the construction of new office buildings has been a major catalyst for new job growth and tax revenue generation.

The \$82 million Stanley J. Aronoff Center for the Arts located in downtown Cincinnati opened in the fall of 1995. The Center contains three theaters and draws half a million visitors annually. The area surrounding the Center for the Arts is called Backstage. Traffic from this facility has created eight new restaurants close to this destination, including the December 1997 opening of Nicholson's Pub in a \$6,000,000, 22,000 square foot restaurant complex immediately across from the Aronoff center. Uno's Pizzeria

opened a restaurant in this complex in April 1998. In the same district a new development has begun. On August 5, 1998, city council approved a development agreement with the Contemporary Arts Center and also approved \$4,300,000 in 1998 capital funds for the City to acquire and clear the site for the new proposed Contemporary Arts Center estimated to cost \$20 million. Site acquisition commenced in 1998 and construction is expected to start in late 2001.

The Cincinnati Convention Center has operated above industry maximum occupancy rates since it was substantially expanded and renovated in 1987. Government, business, and community leaders identified the need of an expansion and in 1994, the State of Ohio provided a \$3 million grant to undertake and extensive feasibility study and schematic design which was completed in 1995. The study proposed a \$300 million expansion that would add 1,000,000 gross square feet to the existing 575,000 square foot facility. The greater Cincinnati Convention and Visitors Bureau is coordinating efforts to reach consensus on a recommended funding plan to undertake the expansion effort.

Since 1994 new businesses have opened at an unprecedented rate in the entertainment area in Over-the-Rhine. These new businesses bring new jobs to the downtown area and revitalize the Over-the-Rhine area making way for further development in that area. There are currently over 180 businesses operating in this growing entertainment district.

Xavier University has constructed a \$39 million dollar multi purpose convention center (Cintas Center), to include a conference center, a student-dining center and a new basketball arena. The College of Mt. St. Joseph is planning construction for a new \$7.5 million dollar student union/recreation center. The new venue will include a 2,000-seat gymnasium, a day care/recreation center for students' children, a food court, and a bookstore.

The University of Cincinnati has constructed a conference center, molecular science research house, and guest lodging facility. The new \$60 million facility retains 70 jobs and creates 374 new jobs. Children's Hospital Medical Center is investing \$35 million to house a new research facility. The 446.3 million Vontz Center for Molecular Studies at the University of Cincinnati has been completed. The new building is futuristic in form and even more in function. It was designed to house the most advanced laboratory and also to serve as a teaching facility for the study of cancer and neuroscience.

Major Initiatives

For the Year. The District's enrollment for the 2000-01 school year was 42,600 students. The District served over 70% of the 60,000-plus children who reside within its boundaries. The majority of enrolled students were members of ethnic minorities - in the 2000-01 school year, 71.2 percent of students were black, 0.9 percent were Asian, 24.2 percent were Caucasian, 0.1 percent were Native American, 3.1 percent were other/multiracial, and 0.4 percent were Hispanic.

A significant majority of students in the District--62.5 percent -- were on free or reduced lunch plans during the 2000-01 school year. More than half of the District's elementary schools served student populations that were 70 percent or higher in poverty. Nearly fifteen percent of the students attending were served with Special Education needs.

Transportation was provided daily for 27,605 public students and 8,119 non-public students. Buses traveled an average of 21,470 miles each day. A self-supporting Food Services Department served an average of 20,554 lunches and 7,892 breakfasts per day for the 2000-01 school year.

Students attended 63 elementary schools, 3 middle schools and 11 high schools. The average age of buildings was 58 years, with the oldest, McKinley, built in 1876 and the newest construction, Roselawn Condon, built in 1982.

Parental choice and involvement were encouraged. More than 12,000 students attended magnet or college preparatory programs outside of their neighborhoods. Magnet choices included a math and science academy, language instruction in nine languages, creative and performing arts K-12, the first public elementary and high school Montessori schools in the nation, Paideia instruction, a communications school, health and teaching professions and a premier college preparatory 7-12 high school offering 21 Advanced Placement courses, more than any other school in the nation.

Neighborhood schools offered several focused programs including Direct Instruction, Success for All, Roots & Wings and Expeditionary Learning. In order to give parents even more choice, the District has also sponsored three community schools, the first district in the State of Ohio to charter its own schools.

Increasing student achievement is the focus of the Cincinnati City Schools. The District has been recognized as a national leader in school reform. Reforms include high-level performance standards for students, teachers and schools; a Student-based Budgeting process that funds the child and parent, not the school on a formula basis; a revolutionary Teacher Evaluation and Compensation System; an early literacy focus that included a Third-Grade Reading guarantee and mandatory summer school at the primary level. The Bill and Melissa Gates Foundation provided nearly \$2.4 million in grants for our pioneering plan to restructure our neighborhood high schools in smaller, more effective learning environments

During the 2000-01 school year, record-high 17 schools reached the top ranking in our School Accountability Plan. Five schools earned School Incentive Awards for exceptional progress, another record. CPS students again outperformed their counterparts in other large schools districts on Ohio's 12th grade Proficiency Tests, and student-passing rates climbed steadily on the tests at other grades. Ohio education officials recognized eight of our schools for the Proficiency Test results, including Walnut Hills High School's state-leading performance on the Ninth-Grade Proficiency Tests. The U.S. Department of Education awarded our Kilgour Elementary School a National Blue Ribbon for over excellence – the highest possible national recognition.

The Cincinnati City Schools are changing from a low-performing, centrally controlled school district to a system of high-performing public schools. Continued reductions and downsizing of the central office resulted in an administrative cost of just 4.7 percent of budget. Resources and the control of resources have been moved to the school and classroom levels where the needs are more clearly defined. Schools and teachers are being held to a higher standard of accountability while being given the authority and resources to meet the challenges of an urban school system.

In November 2000, voters approved a 6 mill-operating levy which will generate \$36 million annually on a continuing basis. Two mills, \$12 million, of the levy will be used to reduce class size in grades K-3 to one teacher for every 17 to 19 students. Another two mills, \$12 million, will be used for the District's operational inflationary increases, including personnel expenses. One mill, \$6 million will be used to strengthen academic programs in neighborhood schools and the final mill, \$6 million will be used for ongoing repair and maintenance of the District's facilities.

In June 2001, the District issued \$123,945,000 School Improvement Bonds for the first phase of its Facilities Improvement Program, estimated to cost \$900 million upon completion. First phase construction projects have been identified and will get underway in the 2001-02 fiscal year.

For the Future

As part of the State of Ohio's Rebuild Ohio Program, the Ohio School Facilities Commission, CPS staff, the District's Master Architect and Construction Manager will complete a Facilities Master Plan in January 2002. With the approval of the Plan by the District's Board of Education and the Ohio School Facilities Commission, the State will pay 23 percent of the program's cost, estimated to be \$900 million.

The District's Facilities Improvement Program will implement the master plan, aiming to transform decades-old buildings into modern learning centers while, as much as possible, preserving historic and artistic value. Buildings deemed too costly to renovate will be shuttered and new schools built.

The District plans to complete its \$23 million life/safety renovations to its various buildings. A \$34 million repair program, including \$20.1 million in new windows will begin in 2002. In addition, the District is funneling an additional \$6 million each year into facilities maintenance as a result of the November 2000 levy passage.

The District plans to implement the first phase of its high school restructuring program in fiscal 2001-02. The new "core high school" will consist of approximately 600 students - a senior institute for grades 11 and 12 consisting of 250 students that will have a particular academic focus and three preparatory academies

of 75 to 90 students each that will have the same academic focus in each high school. Also planned for fiscal year 2001-02 is a programmatic and facilities model for the District's first community learning centers; a comprehensive model for full-year schooling and a comprehensive model for the education of gifted and talented students.

Financial Information

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.

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.

The District's Oracle Public Sector General Ledger accounting system is organized on a "fund" basis, in which each fund is a distinct self-balancing accounting entity. The modified accrual basis of accounting is followed for governmental and agency funds. Revenues are recognized in the period when measurable and available to meet obligations incurred during the fiscal year. The District defines available as meaning collectible within sixty (60) days of fiscal year-end. Governmental Funds' expenditures are recognized when the related liability is expected to be liquidated with expendable available financial resources, except interest on long-term debt, which is recorded when due.

Proprietary Funds' financial transactions are recorded on the accrual basis of accounting: revenues are recognized when earned and measurable and expenses are recognized when incurred.

The Board of Education, by statute, adopts the annual operating budget for the District on or about the first of each fiscal year (July 1). All disbursements and transfers of cash between funds require appropriations authority from the Board of Education. Budgets are controlled at the fund level.

The basis of accounting and the various funds and account groups utilized by the District are fully described in Note 2 to the Financial Statements, Sections A & B. Additional information on the District's budgetary process can also be found in Note 2, Section C.

As demonstrated by the statements and schedules included in the financial section of this report, the Treasurer/CFO commits to meet his responsibility for sound financial management.

General Government Functions and General Fund Balance The schedule on the following page presents a summary of the General fund, Special Revenue funds, Debt Service fund, Capital Project funds and similar Trust funds' revenues for the fiscal year ended June 30, 2001, and the amount and percentages of increases (decreases) in revenues from the prior fiscal year. General Government revenues increased 14.31% from FY 2000 due to reclassification of tax revenues deferred to finance operations in the subsequent period; the first six months of new tax revenues from the 6 mill tax levy approved by voters in November 2000 and from increased investment earnings:

	FY 2001 <u>Actual</u>	FY 2001 <u>% of Total</u>	\$ Increase <u>From FY 2000</u>	% Increase <u>From FY 2000</u>
Revenues (GAAP Basis)				
From local sources:				
Taxes	\$ 214,021,076	48.27%	\$ 34,320,284	19.10%
In Lieu of Taxes	9,598,900	1.88%	827,179	9.43%
Earnings on Investments	10,351,327	2.00%	4,930,632	90.96%
Tuition	1,084,570	0.21%	(309,987)	-22.23%
Intergovernmental - State	199,746,658	39.03%	21,845,918	12.28%
Intergovernmental - Federal	34,826,350	6.80%	(941,671)	-2.63%
Other Revenue	<u>9,559,493</u>	<u>1.82%</u>	<u>(686,198)</u>	<u>-6.70%</u>
Total	<u>\$ 479,188,374</u>	<u>100.00%</u>	<u>\$ 59,986,157</u>	<u>14.31%</u>

The following schedule presents a summary of the General fund, Special Revenue funds, Debt Service fund, Capital Projects funds and similar Trust funds' expenditures for the fiscal year ended June 30, 2001 and the amount and percentages of increases (decreases) from the prior fiscal year:

	FY 2001 <u>Actual</u>	FY 2001 <u>% of Total</u>	\$ Increase <u>From FY 2000</u>	% Increase <u>From FY 2000</u>
Expenditures (GAAP Basis)				
Current:				
<i>Instruction:</i>				
Regular	\$ 184,758,829	41.03%	\$ 22,054,601	13.56%
Special	45,980,215	10.20%	(3,687,973)	-7.43%
Vocational	7,939,467	1.74%	(1,533,517)	-16.19%
Other	1,589,980	0.38%	(1,240,121)	-43.82%
<i>Support Services:</i>				
Pupils	17,271,836	3.83%	(785,130)	-4.35%
Instructional Staff	25,739,415	5.71%	2,470,801	10.62%
General Administration	213,508	0.05%	16,512	8.38%
School Administration	29,909,627	6.64%	2,195,775	7.92%
Fiscal	2,189,842	0.49%	(419,714)	-16.08%
Business	402,902	0.09%	(291,379)	-41.97%
Operations and Maintenance	41,214,967	9.15%	12,839,295	45.25%
Pupil Transportation	21,798,906	4.84%	759,364	3.61%
Central	16,035,589	3.56%	(4,454,264)	-21.74%
Community Services	11,220,873	2.46%	2,265,573	25.30%
Extracurricular Activities	3,985,613	0.88%	451,464	12.77%
Capital Outlay	10,809,755	2.40%	(4,946,188)	-31.39%
<i>Debt Service:</i>				
Principal Retirement	24,798,093	5.47%	(11,656,249)	-6.26%
Interest and Fiscal Charges	<u>4,944,240</u>	<u>1.10%</u>	<u>2,158,424</u>	<u>77.48%</u>
Total	<u>\$ 450,803,657</u>	<u>100.00%</u>	<u>\$ 16,197,274</u>	<u>6.17%</u>

Governmental funds' expenditures increased 6.17% from FY 2000 due primarily to increased spending for regular instruction and support services, in particular operations and maintenance. This was possible due to the passage of the 6-mill tax levy in November 2000, which funds became available for expenditure in the second half of FY 2001. The Debt Service Principal Retirement increase was due to combining two energy conservation notes issues into one and renewing and paying down the notes at the same time.

General Fund Balance and Reserves. The unreserved/undesignated General Fund balance increased by \$39,791,032 in FY 2001 to \$22,613,806. Reasons for the increase include not borrowing at fiscal year-end in FY 2000 as was done in FY 1999; passage of the 6-mill operating tax levy in November 2000 and increased investment earnings.

Enterprise Operations. The District's Enterprise funds are used to finance and account for the acquisitions, operations and maintenance of District facilities and services designed to be entirely, or predominantly, self-supported from user charges. Operations are accounted for in such a manner to show a profit or loss on a basis comparable with businesses in the private sector. The District's Enterprise operations consist of the Food Services and Uniform School Supplies funds.

Fiduciary Operations. Fiduciary funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments and/or other funds. At June 30, 2001, assets held by these funds totaled \$22,672,752; liabilities relating to these funds amounted to \$19,883,712 with remaining equity in both the Expendable and Non Expendable Trust funds of \$2,789,040.

Debt Administration. At June 30, 2001, the District had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$128,250,000 of general obligation limited tax bonds; \$32,660,000 of general obligation bond anticipation notes, both short and long term, and \$30,050,000 of long-term tax anticipation notes. During the fiscal year ended June 30, 2001, the District issued \$123,945,000 of general obligation limited tax bonds and \$27,800,000 of general obligation bond anticipation notes. During the year, Standard & Poor's upgraded the District's underlying bond rating from an A- to an A+, a jump of two rating categories. The District also received an A2 rating from Moody's Investor Services.

Cash Management Policies and Practices. Chapter 135 of the Ohio Revised Code sets forth the requirements and limitations of the state's political subdivisions, including the District. Under Section 135.14 of the Revised Code, the District may invest its funds provided that such investments must mature or be redeemable within five years from the date of purchase.

The District has invested in or is eligible, under the above-described legal limitations, to invest in U.S. Treasury bonds, notes and bills; federal agency securities; commercial paper, bankers acceptances, State Treasurer's Asset Reserve (STAR Ohio), certificates of deposit, repurchase agreements and eligible Treasury Obligation Funds. The District interprets the limits on Federal guaranteed investments, bankers acceptances, commercial paper and all other legal investments very conservatively. The District has never owned any derivative type investments, interest only investments or reverse repurchase agreements. Interest earned by the District for the fiscal year ended June 30, 2001 totaled \$10,348,723, primarily from investments in STAR Ohio.

All brokers, dealers and financial institutions that give advice or make investment recommendations to the District shall sign the District's Investment Policy, thereby acknowledging their agreement to abide by the Policy's contents. Those who execute investment transactions for the District shall read and sign the Policy, thereby acknowledging their comprehension and receipt of the Policy.

Risk Management. The District continues to protect its assets through a comprehensive insurance program. For the year, commercial insurance carriers provided insurance coverage for property, boiler and machinery, general/school board and umbrella liability, and vehicles.

The District provides health and life insurance to all eligible employees. Health insurance includes both medical and dental coverage. Medical insurance is currently provided on a self-insurance basis. The self-insurance program is administered by Humana/ChoiceCare, which provides claims review and processing services, along with stop-loss coverage. Life insurance coverage is provided by a commercial insurance carrier.

The District also participates in the Retrospective Rating Program administered by the Ohio Bureau of Workers Compensation. This Program provides for a minimum annual premium payment, @ 20%, and actual claims payment for the prior ten calendar years.

Other Information

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, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting and is the first time the District has applied for and received this award.

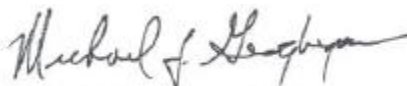
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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 performed the District Audit for fiscal year ended June 30, 2001. 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 general-purpose 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 Ms. Avis Sharpe, Assistant Treasurer/Controller, to Mr. Stan Lucas, Director of Accounting, Budget & Reporting, and to all other members of the Department who assisted and contributed to the preparation of this report. Due credit should also be given to the Board of Education and the District administration for their interest and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Michael J. Geoghegan, CPA
Treasurer/CFO

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, 2000

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.



Imelda Aruwa
President

Jeffrey L. Esser
Executive Director

CINCINNATI CITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2001

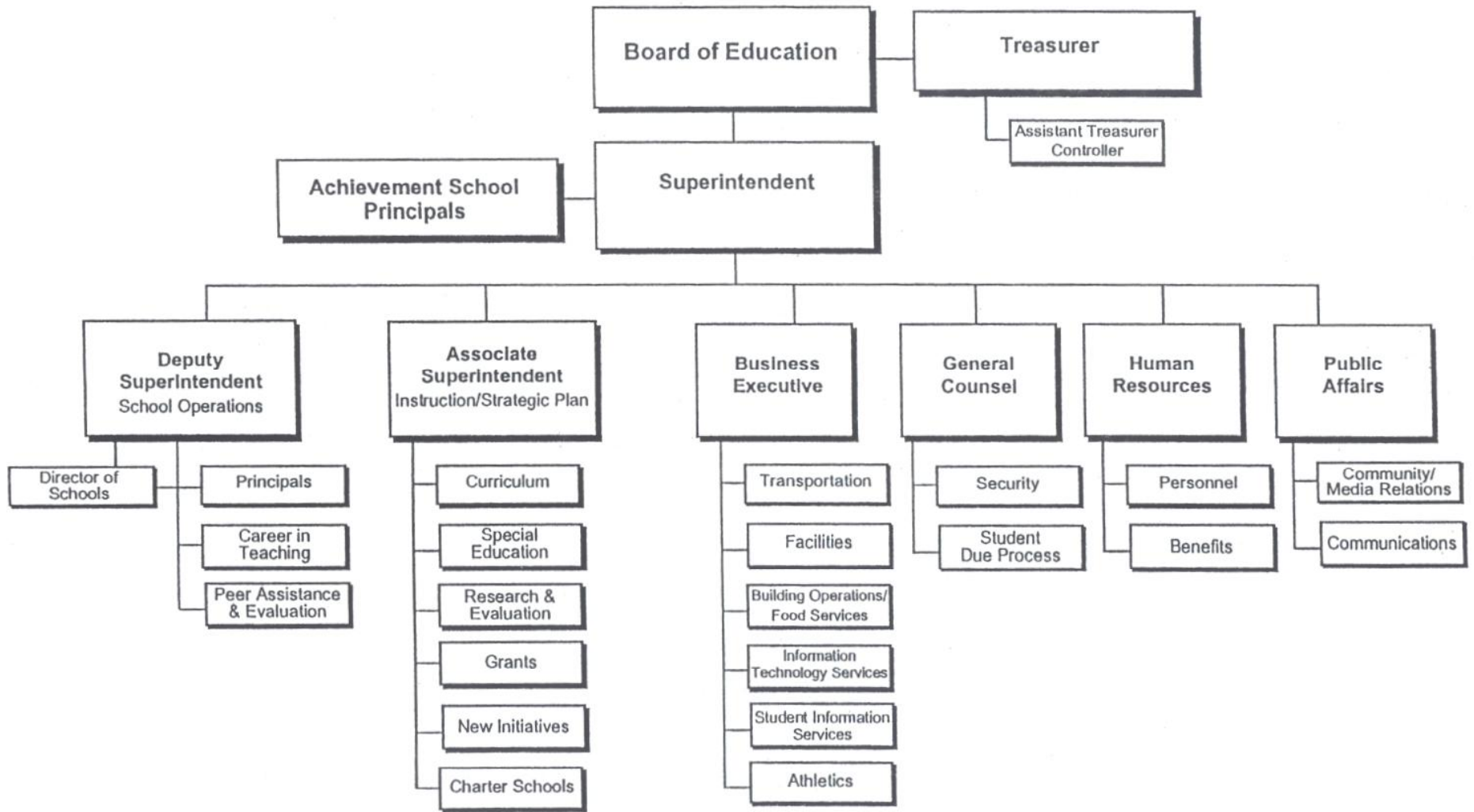
Members of the Board of Education:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rick Williams	President	December 31, 2003
Lynn Marmer	Vice President	December 31, 2001
John J. Gilligan	Member	December 31, 2003
Catherine Ingram	Member	December 31, 2001
Dr. Florence Newell	Member	December 31, 2003
Sally Warner	Member	December 31, 2001
Harriet Russell	Member	December 31, 2001

District Administration:

<u>Name</u>	<u>Title</u>
Steven J. Adamowski	Superintendent
Michael J. Geoghegan	Treasurer/CFO
Rosa E. Blackwell	Deputy Superintendent
Kathleen Ware	Associate Superintendent
Kenton Cashell	Business Executive
John S. Concannon	General Counsel
Deborah Heater	Director of Human Resources
Jan Leslie	Director of Public Affairs

Cincinnati Public Schools
CPS Organization Chart



Financial Section

Cincinnati City School District
Cincinnati, Ohio



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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Cincinnati City School District, Hamilton County, Ohio (the District), of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cincinnati City School District, Hamilton County, Ohio, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

During the year ended June 30, 2001, the District adopted Governmental Accounting Statement No. 33 and 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2001 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the Government, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 31, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2001**

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Project
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in Pooled Cash and Investments	\$ 83,874,366	\$ 22,014,595	\$ 13,408,361	\$ 120,643,759
Restricted Pooled Cash and Investments	2,222,359	-	-	-
Investments	-	3,062	-	-
Receivables (net of Allowances for Uncollectables)				
Property Taxes	230,806,138	-	853,744	-
Accounts	169,376	539,608	-	161,125
Accrued interest	-	-	-	-
Intergovernmental - State and Local	473,382	211,336	-	1,218,107
Intergovernmental - Federal	11,603	10,150,047	-	-
Due From Other Funds	19,770,147	-	65,000	-
Advances to Other Funds	6,007,942	-	-	-
Materials and Supplies Inventory	-	-	-	-
Inventory Held for Resale	-	-	-	-
Property, Plant and Equipment, net of Accumulated Depreciation	-	-	-	-
Other Debits:				
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 343,335,313	\$ 32,918,648	\$ 14,327,105	\$122,022,991.00
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts Payable	\$ 2,520,254	\$ 1,304,717	\$ -	\$ 1,766,671
Accrued Wages and Benefits	7,270,387	1,898,911	-	791
Compensated Absences Payable	6,673,998	61,196	-	-
Claims Payable	2,608,449	-	-	-
Advances Due to Other Funds	-	3,263,877	-	2,744,065
Deferred Revenue - Commodities	-	-	-	-
Deferred Revenue - Taxes	196,141,138	-	734,743	-
Deferred Grant Revenue	-	6,011,196	-	84,908
Intergovernmental Payable	1,222,493	-	-	-
Due to Other Funds	-	-	-	-
Due to Students	-	-	-	-
Accrued Interest Payable	131,458	-	-	1,585,089
Notes Payable	-	-	-	4,860,000
Long Term Tax Anticipation Notes Payable	30,050,000	-	-	-
General Obligation Bonds Payable	-	-	-	-
Obligations Under Capital Leases	-	-	-	-
TOTAL LIABILITIES:	\$ 246,618,177	\$ 12,539,897	\$ 734,743	\$ 11,041,524
Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings, Unreserved	-	-	-	-
Fund Balances:				
Reserved for Encumbrances	11,458,029	7,106,652	-	11,747,098
Reserved for Endowments	-	-	-	-
Reserved for Property Taxes	54,415,000	-	184,001	-
Reserved for Debt Service	-	-	13,408,361	-
Reserved for Advances	6,007,942	-	-	-
Reserved for Budget Stabilization	1,420,826	-	-	-
Reserved for Textbooks and Instructional Materials	801,533	-	-	-
Unreserved:				
Undesignated	22,613,806	13,272,099	-	99,234,369
TOTAL EQUITY AND OTHER CREDITS	96,717,136	20,378,751	13,592,362	110,981,467
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 343,335,313	\$ 32,918,648	\$ 14,327,105	\$ 122,022,991

The notes to the financial states are an integral part of this statement

Proprietary	Fund Type	Fiduciary		Account Groups		Totals (Memorandum Only)
		Fund Types	Trust and Agency	General Fixed Assets	General Long Term Obligations	
Enterprise	Internal Service					
\$ 5,504,786	\$ 4,613,692	\$ 22,018,183	\$ -	\$ -	\$ 272,077,742	
-	-	-	-	-	2,222,359	
-	-	652,336	-	-	655,398	
-	-	-	-	-	231,659,882	
150,317	-	148	-	-	1,020,574	
-	-	2,085	-	-	2,085	
-	-	-	-	-	1,902,825	
1,668,965	-	-	-	-	11,830,615	
-	-	-	-	-	19,835,147	
-	-	-	-	-	6,007,942	
12,001	-	-	-	-	12,001	
231,134	-	-	-	-	231,134	
1,878,801	-	-	73,782,072	-	75,660,873	
-	-	-	-	13,408,361	13,408,361	
-	-	-	-	182,908,959	182,908,959	
\$ 9,446,004	\$ 4,613,692	\$ 22,672,752	\$ 73,782,072	\$ 196,317,320	\$ 819,435,897	
\$ 67,962	\$ -	\$ 7,140	-	\$ -	\$ 5,666,744	
280,118	-	-	-	-	9,450,207	
710,582	-	-	-	40,050,545	47,496,321	
-	3,364,000	-	-	-	5,972,449	
-	-	-	-	-	6,007,942	
231,134	-	-	-	-	231,134	
-	-	-	-	-	196,875,881	
-	-	-	-	-	6,096,104	
-	-	-	-	-	1,222,493	
-	-	19,835,147	-	-	19,835,147	
-	-	41,425	-	-	41,425	
-	-	-	-	-	1,716,547	
-	-	-	-	27,800,000	32,660,000	
-	-	-	-	-	30,050,000	
-	-	-	-	128,250,000	128,250,000	
-	-	-	-	216,775	216,775	
\$ 1,289,796	\$ 3,364,000	\$ 19,883,712	\$ -	\$ 196,317,320	\$ 491,789,169	
-	-	-	73,782,072	-	73,782,072	
8,156,208	1,249,692	-	-	-	9,405,900	
-	-	-	-	-	30,311,779	
-	-	793,172	-	-	793,172	
-	-	-	-	-	54,599,001	
-	-	-	-	-	13,408,361	
-	-	-	-	-	6,007,942	
-	-	-	-	-	1,420,826	
-	-	-	-	-	801,533	
-	-	1,995,868	-	-	137,116,142	
8,156,208	1,249,692	2,789,040	73,782,072	-	327,646,728	
\$ 9,446,004	\$ 4,613,692	\$ 22,672,752	\$ 73,782,072	\$ 196,317,320	819,435,897	

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Governmental Fund Type				Fiduciary Fund Type Expensible Trust	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Project		
REVENUES						
From Local Sources:						
Taxes	\$ 213,241,346	\$ -	\$ 779,730	\$ -	\$ -	\$ 214,021,076
In Lieu of Taxes	4,598,900	-	5,000,000	-	-	9,598,900
Tuition	-	1,084,570	-	-	-	1,084,570
Earnings on Investments	9,432,203	741,742	80,925	-	96,457	10,351,327
Intergovernmental - State	144,219,302	43,556,449	103,164	11,867,743	-	199,746,658
Intergovernmental - Federal	1,810,105	33,016,245	-	-	-	34,826,350
Other Revenue	2,759,023	5,981,576	-	532,247	286,647	9,559,493
TOTAL REVENUES	376,060,879	84,380,582	5,963,819	12,399,990	383,104	479,188,374
EXPENDITURES						
Current						
Instruction:						
Regular	151,063,441	33,656,679	-	-	38,709	184,758,829
Special	36,578,927	9,401,288	-	-	-	45,980,215
Vocational	6,569,873	1,266,972	-	102,622	-	7,939,467
Other	31,687	1,558,293	-	-	-	1,589,980
Support services:						
Pupils	11,725,780	5,057,004	-	489,052	-	17,271,836
Instructional Staff	15,186,561	10,477,893	-	74,961	-	25,739,415
General Administration	208,969	-	-	-	4,539	213,508
School administration	26,593,967	2,654,200	-	661,460	-	29,909,627
Fiscal	1,784,254	405,588	-	-	-	2,189,842
Business	402,902	-	-	-	-	402,902
Operations and Maintenance	32,855,158	34,059	-	8,325,750	-	41,214,967
Pupil transportation	21,516,896	282,010	-	-	-	21,798,906
Central	14,420,653	1,605,256	-	9,680	-	16,035,589
Community Services	-	11,100,306	-	-	120,567	11,220,873
Extracurricular Activities	2,898,677	1,083,292	-	-	3,644	3,985,613
Capital Outlay	809,747	246,101	-	9,753,907	-	10,809,755
Debt Service:						
Principal Retirement	23,188,093	-	1,610,000	-	-	24,798,093
Interest and Fiscal Charges	2,005,504	-	477,910	2,460,826	-	4,944,240
TOTAL EXPENDITURES	347,841,089	78,828,941	2,087,910	21,878,258	167,459	450,803,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,219,790	5,551,641	3,875,909	(9,478,268)	215,645	28,384,717
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	1,565,840	1,209,577	1,944,000	-	4,719,417
Operating Transfers Out	(4,719,417)	-	-	-	-	(4,719,417)
Proceeds From Sale of Bonds and Notes	20,550,000	-	-	131,195,000	-	151,745,000
Premium on Bonds Sold	-	-	2,010,435	-	-	2,010,435
Proceeds From Capital Leases	210,000	-	-	-	-	210,000
TOTAL OTHER FINANCING SOURCES (USES)	16,040,583	1,565,840	3,220,012	133,139,000	-	153,965,435
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	44,260,373	7,117,481	7,095,921	123,660,732	215,645	182,350,152
Fund Balances, July 1	52,456,763	13,261,270	6,496,441	(12,679,265)	1,424,324	60,959,533
Fund Balances, June 30	\$ 96,717,136	\$ 20,378,751	\$ 13,592,362	\$ 110,981,467	\$ 1,639,969	\$ 243,309,685

The Notes to the Financial Statements are Integral Part of This Statement

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**CINCINNATI SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues and Other Financing Sources	\$ 422,683,235	\$ 400,470,246	\$ (22,212,989)
Total Expenditures and Other Financing Uses	436,789,021	384,085,657	52,703,364
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,105,786)	16,384,589	30,490,375
Fund Balances, Beginning of Year	44,620,078	44,620,078	-
Prior Year Encumbrances Appropriated	6,789,021	6,789,021	-
Fund Balances, End of Year	<u>\$ 37,303,313</u>	<u>\$ 67,793,688</u>	<u>\$ 30,490,375</u>
	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues and Other Financing Sources	\$ 90,225,687	\$ 83,715,238	\$ (6,510,449)
Total Expenditures and Other Financing Uses	92,515,626	88,521,527	3,994,099
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,289,939)	(4,806,289)	(2,516,350)
Fund Balances, Beginning of Year	45,481,649	14,075,940	(31,405,709)
Prior Year Encumbrances Appropriated	5,329,115	5,329,115	-
Fund Balances, End of Year	<u>\$ 48,520,825</u>	<u>\$ 14,598,766</u>	<u>\$ (33,922,059)</u>

The Notes to the Financial Statements are an Integral Part of This Statement

	Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues and Other Financing Sources	\$ 9,801,831	\$ 9,264,331	\$ (537,500)
Total Expenditures and Other Financing Uses	2,500,000	2,087,910	412,090
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,301,831	7,176,421	(125,410)
Fund Balances, Beginning of Year	6,231,940	6,231,940	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances, End of Year	<u>\$ 13,533,771</u>	<u>\$ 13,408,361</u>	<u>\$ (125,410)</u>

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues and Other Financing Sources	\$ 170,627,525	\$ 149,104,666	\$ (21,522,859)
Total Expenditures and Other Financing Uses	65,677,291	60,449,569	5,227,722
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	104,950,234	88,655,097	(16,295,137)
Fund Balances, Beginning of Year	15,794,077	10,089,060	(5,705,017)
Prior Year Encumbrances Appropriated	11,963,355	11,963,355	-
Fund Balances, End of Year	<u>\$ 132,707,666</u>	<u>\$ 110,707,512</u>	<u>\$ (22,000,154)</u>

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues and Other Financing Sources	\$ 693,338,278	\$ 642,554,481	\$ (50,783,797)
Total Expenditures and Other Financing Uses	597,481,938	535,144,663	62,337,275
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	95,856,340	107,409,818	11,553,478
Fund Balances, Beginning of Year	112,127,744	75,017,018	(37,110,726)
Prior Year Encumbrances Appropriated	24,081,491	24,081,491	-
Fund Balances, End of Year	<u>\$ 232,065,575</u>	<u>\$ 206,508,327</u>	<u>\$ (25,557,248)</u>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE -
 PROPRIETARY FUND TYPES AND
 NONEXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types		Fiduciary	Totals
	Enterprise Fund	Internal Service Fund	Fund Type Nonexpendable Trust Fund	(Memorandum Only)
OPERATING REVENUES				
Sales	\$3,190,385	\$ -	\$ 19,399	\$ 3,209,784
Charges For Services	-	29,633,776	-	29,633,776
Interest Revenue	-	-	111,568	111,568
Total Operating Revenues	3,190,385	29,633,776	130,967	32,955,128
OPERATING EXPENSES				
Salaries and Wages	6,697,412	-	-	6,697,412
Fringe Benefits	1,208,144	-	-	1,208,144
Contract Services	1,104,546	-	-	1,104,546
Claims	-	28,384,084	-	28,384,084
Supplies	4,431,955	-	13,361	4,445,316
Depreciation	316,526	-	-	316,526
Other Operating Expenses	172,312	-	-	172,312
Total Operating Expenses	13,930,895	28,384,084	13,361	42,328,340
Operating Income (Loss)	(10,740,510)	1,249,692	117,606	(9,373,212)
NON-OPERATING REVENUES (EXPENSES)				
Operating Grants	9,561,727	-	-	9,561,727
Donated Commodities	672,359	-	-	672,359
Interest Revenue	329,397	-	-	329,397
Miscellaneous	-	-	-	-
Total Non-Operating Revenues (Expenses)	10,563,483	-	-	10,563,483
Income Before Operating Transfers	(177,027)	1,249,692	117,606	1,190,271
Operating Transfers (out)	-	-	-	-
Net Income	(177,027)	1,249,692	117,606	1,190,271
Retained Earnings/Fund Balance, July 1	8,333,235	-	1,034,245	9,367,480
Retained Earnings/Fund Balance, June 30	\$ 8,156,208	\$ 1,249,692	\$ 1,151,851	\$ 10,557,751

The Notes to the Financial Statements are Integral Part of This Statement

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPES
AND NON EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise Fund	Internal Service Fund	Nonexpendable Trust Fund	(Memorandum Only)
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 3,077,265	\$ 29,633,776	\$ 19,399	\$ 32,730,440
Cash Received From Other Operations	-	-	-	-
Cash Payments to Suppliers for Goods and Services	(5,879,890)	-	(13,361)	(5,893,251)
Cash Payments to Employees for Services	(5,918,357)	(25,020,084)	-	(30,938,441)
Cash Payments for Employee Benefits	(1,708,072)	-	-	(1,708,072)
Net Cash Provided by (Used for) Operating Activities	(10,429,054)	4,613,692	6,038	(10,423,016)
Cash Flows From Investing Activities				
Cash Received From Interest	329,397	-	86,182	415,579
Net Cash Provided by Investing Activities	329,397	-	86,182	415,579
Cash Flows From Non-Capital Financing Activities				
Operating Grants Received	9,556,793	-	-	9,556,793
Transfers Out	-	-	-	-
Miscellaneous	-	-	-	-
Net Cash Provided by Non-capital Financing Activities	9,556,793	-	-	9,556,793
Cash Flows From Capital and Related Financing Activities				
Payments for Capital Acquisitions	(510,045)	-	-	(510,045)
Net Cash Used for Capital and Related Financing Activities	(510,045)	-	-	(510,045)
Net Increase in Cash and Cash Equivalents	(1,052,909)	4,613,692	92,220	3,653,003
Cash and Cash Equivalents at Beginning of Year	6,557,695	-	905,424	\$7,463,119
Cash and Cash Equivalents at End of Year	\$ 5,504,786	\$ 4,613,692	\$ 997,644	11,116,122
Reconciliation of Non-Expendable Trust Fund to Balance Sheet				
Cash and Cash Equivalents - All Fiduciary Funds			\$ 22,018,183	
Less: Cash and Cash Equivalents - Expendable Trust and Agency Funds			21,020,539	
Cash and Cash Equivalents - Nonexpendable Trust Funds			\$ 997,644	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
	\$ (10,740,510)	1,249,692	\$ 117,606	\$ (10,622,904)
Operating Income (loss)				
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation Expense	316,526	-	-	316,526
Donated Commodities Used During Year	672,359	-	-	672,359
Market Value Change for Investments	-	-	(111,568)	(111,568)
Changes in Assets and Liabilities				
Increase in Intergovernmental Receivable	(936,646)	-	-	-
Increase in Accounts Receivable	(113,120)	-	-	(113,120)
Decrease in Materials and Supplies Inventory	82,432	-	-	82,432
Increase in Accrued Wages	214,280	-	-	214,280
Decrease in Accounts Payable	(9,788)	-	-	(9,788)
Increase in Compensated Absences Payable	210,654	-	-	210,654
Increase in Claims Payable	-	3,364,000	-	-
Decrease in Intergovernmental Payable	(125,241)	-	-	(125,241)
Total Adjustments	\$ 311,456	\$ 3,364,000	\$ (111,568)	\$ 199,888
Net Cash Provided by (Used for) Operating Activities	\$ (10,429,054)	\$ 4,613,692	\$ 6,038	\$ (10,622,904)

Noncash investing, capital, and financing activities: The District receives donated food commodities from the federal government for use in the District's lunch rooms. The amount of food commodities used during the fiscal year ending June 30, 2001 assessed at market (Fair) value was \$672,359 which is recorded as both a revenue and an expense in the Statement of Revenues, Expenses and Changes in Retained Earnings.

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CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Cincinnati City School District (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 Board of Education (7 members) 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 all the cities of Cincinnati, Cheviot and Golf Manor, all of the Village of Amberley, parts of the cities of Silverton and Wyoming, part of the Village of Fairfax, and parts of Columbia, Delhi, Green and Springfield Townships. The District's total area is approximately 90 square miles. As of June 30, 2001, the District employed 6,671 employees, including 3,949 certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators.

The economy of the District is based on a wide diversity of industry. The major sources of revenue to the District are local real and personal property taxes, and state aid. Other funds, such as food services are funded by designated state and federal grants and/or charges for goods and services.

FINANCIAL REPORTING ENTITY

The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations form the oversight unit and are included as part of the reporting entity.

The financial report of the District is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies, which are not legally separate from the District. The District also evaluated potential component units for possible inclusion in the financial report. Component units are legally separate organizations for which the District would be financially accountable. The District would be financially accountable for an organization if the District appointed a voting majority of the organization's governing board and (1) the District was able to significantly influence the programs or services performed or provided by the organization; or (2) the District was legally entitled to or could otherwise access the organization's resources; the District was legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the organization is fiscally dependent on the District in that the District approves the budget, the issuance of debt, or levying of taxes.

The District included no component units in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

A. BASIS OF PRESENTATION – FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories of governmental, proprietary and fiduciary.

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in Proprietary or Fiduciary funds, are accounted for through governmental funds. The following are the District's governmental fund types:

General Fund – The General 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.

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long term debt principal, interest, and related costs.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Nonexpendable Trust Funds).

PROPRIETARY FUND TYPE

Proprietary Funds are used to account for the District's ongoing activities, which are similar to those found in the private sector. Following is the District's Proprietary Fund Type:

Enterprise Funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUND TYPES

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

Expendable Trust Funds – These funds are used to account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

Nonexpendable Trust Funds – These funds are used to account for trust principal, which may not be expended. Only interest earned on the principal may be used for trust operations. Nonexpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

Agency Funds – These funds are purely custodial and do not involve measurement of results of operation.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group – The account group is established to account for all fixed assets of the District, other than those accounted for in Proprietary Funds.

General Long Term Obligations Account Group – This account group is established to account for all long-term obligations of the District except those accounted for in Proprietary Funds and General Fund tax anticipation notes described in Note 11.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary and Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components.

Proprietary and Nonexpendable Trust Funds' operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available.

“Measurable” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year-end.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, state and federal grants, investment earnings, tuition, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001, which are intended to finance fiscal year 2002 operations and delinquent property taxes whose availability is indeterminable, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated food commodities are reported as deferred revenue.

C. BUDGETARY CONTROL

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 appropriations resolution are subject to amendment throughout the fiscal year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. By Ohio law, all unencumbered appropriation balances lapse at year-end. Open encumbrance balances are carried over to the following year. The District did not include budgetary financial statements within the general-purpose financial statements for the enterprise funds, expendable trust fund, and the nonexpendable trust fund. For the fiscal year ended June 30, 2001, the primary level of budgetary control was at the fund level. Advances to funds are not required to be budgeted due to the temporary nature of the cash flow and the intent to repay.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

ANNUAL BUDGETS

The District adopts annual appropriation budgets for all funds. The specific timetable for the year is as follows:

1. Prior to January 15, the District Superintendent and Treasurer submit to the Board of Education a proposed tax budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing. A public hearing is publicized and conducted to obtain taxpayers comments.
2. By no later than January 20, the Board of Education adopted budget is filed with the Hamilton County Auditor for rate determination and subsequent approval by the County Budget Commission
3. Prior to April 1, the Board of Education accepts by formal resolution, the tax rates as approved by the County Budget Commission. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources plus certain authorized borrowings. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2001.
4. By July 1, the annual appropriation resolution (or temporary resolution) is legally enacted by the Board of Education. (State statute permits a temporary appropriation to be effect until no later than October 1 of each year). Appropriations by fund must be within estimated resources as certified by the County Budget Commission plus certain authorized borrowings.
5. Any revisions that alter appropriations at the budgeted level for each fund must be approved by the Board of Education.
6. Formal budgetary integrations are employed as a management control device during the fiscal year for all funds.
7. Appropriation amounts, except for capital projects, are as originally adopted. Capital projects are appropriated throughout the fiscal year as they are identified and approved by the District.
8. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

BASIS OF ACCOUNTING

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when encumbered, or paid in cash (budget basis), as opposed to when susceptible to accrual (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

4. Principal payments for notes payable are treated as expenditures (budget basis) and as reductions in the outstanding notes payable liability (GAAP basis).
5. Advances are treated as financing sources and uses (budget basis) and as inter-fund receivables and payables (GAAP basis).

ENCUMBRANCES

Encumbrance accounting is utilized by the District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on available spending authority due to a commitment for a future expenditure and does not represent a liability. For Governmental Fund types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. If the actual expenditures are less than the amount encumbered, the excess reserve is closed to the unreserved fund balance. Note 4 provide a reconciliation of the budgetary basis and GAAP basis of accounting.

D. CASH AND INVESTMENTS

Cash received by the District is deposited into one of five bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments, which are stated at cost. For purposes of the combined statement of cash flows, the Enterprise and Nonexpendable Trust Funds' portion of pooled cash and investments is considered cash equivalent because the District is able to withdraw resources from the Enterprise and Nonexpendable Trust Funds without prior notice or penalty. Under existing State of Ohio statutes, all investment earnings accrue to the General Fund, except those specifically related to the Auxiliary Services Fund, Expendable Trust Funds, Nonexpendable Trust Fund, the Food Service Fund, or as directed by Board of Education policy.

During fiscal year 2001, investments were limited to STAR Ohio and common stock. Investments in common stock, which were donated to the District, are reported at fair value, which is based on quoted market price. 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 Act of 1940.

Investments in STAR Ohio are valued at STAR Ohio's share price, which is what the investment could be sold for on June 30, 2001.

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a textbook and instructional material reserve, and a capital maintenance reserve. These reserves are required by State statute. The budget stabilization reserve can be used only after receiving approval from the District's Board of Education. At June 30, 2001, the District was not required to reserve fund balance for capital maintenance (refer to Note 18)

E. INVENTORY

Inventories are valued at cost (First-in, First-out) and are determined by physical count. Inventories of Proprietary Funds appear as expenses when used rather than when purchased. The amounts of unused commodities are reported as deferred revenue, since title does not pass to the District until the commodities are used. Inventories of Governmental Funds appear, as expenditures when used and are offset by a reserve to indicate that inventories do not constitute available expendable resources.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

F. PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

General Fixed Assets Account Group

Fixed assets used in governmental fund types of the District are recorded in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair market value at the date of donation. The District follows the policy of not capitalizing assets for presenting GAAP information with a cost of less than \$2,000, but does separately track assets costing more than \$300 if purchased with federal or state grant funds for compliance purposes.

Infrastructure (e.g., driveways, fencing, retaining walls and other assets that are immovable and of value only to the District) is capitalized in the General Fixed Assets Account Group if the cost or estimated historical cost to purchase or construct equals or exceeds \$2,000. Interest incurred during construction is not capitalized on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the General Fixed Assets Account Group.

Although depreciation expense is not reported in the operating statements of Governmental Funds, the District does record and report assets net of accumulated depreciation in the General Fixed Assets Account Group to provide the reader with a realistic valuation of the assets owned due to the age and condition of a significant portion of the assets reported. Accumulated depreciation is calculated on a straight-line basis with ½ year depreciation taken in the first and last year, regardless of the date placed in service. Accumulated depreciation has been provided over the following estimated useful lives:

<u>Asset</u>	<u>Life (Years)</u>
Buildings	45
Land Improvements and Temporary Buildings	20
Art Work	10
Machinery and Equipment	7- 20
Vehicles	5

Property, plant and equipment reflected in the Proprietary Funds Type, whose cost to construct or acquire exceeds \$300, are stated at historical cost or estimated historical cost and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included. Depreciation has been provided, where appropriate, on a straight line basis with ½ year depreciation taken in the first and last year, regardless of the date placed in service over the following estimated useful lives;

<u>Asset</u>	<u>Life (Years)</u>
Fixed Equipment	12
Furniture, Fixtures and Minor Equipment	12
Vehicles	5

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

G. COMPENSATED ABSENCES PAYABLE

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

H. FUND BALANCE RESERVES AND DESIGNATIONS

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, endowments, debt service, advances, budgetary reserves and property taxes, and are not available for appropriation at year-end, under Ohio law. The unreserved, undesignated portions of fund equity reflected for Governmental Funds are available for use within the specific purposes of those funds. Long-term liabilities, expected to be financed from Proprietary Fund operations are accounted for in those funds.

I. INTERGOVERNMENTAL REVENUES

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

J. INTERFUND TRANSACTIONS

During the course of normal operations the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund, through which those resources are to be expended, are recorded as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term inter-fund loans are reflected as inter-fund payable/receivable.
4. Long-term advances are reflected as advances to and from other funds.

K. LONG TERM DEBT

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. The District has recorded long term tax anticipation notes payable in the General Fund as further described in Note 11 to the financial statements. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

L. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general-purpose financial statements are captioned “(Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

ACCOUNTABILITY

For the fiscal year ended June 30, 2001 the District implemented Governmental Accounting Standards Board Statements No. 33 and 36, which require governmental funds to report revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This resulted in reporting deferred revenue of \$6,086,104 and \$84,908 in the special revenue and capital project funds, respectively, for state and federal grants.

FUND DEFICITS

The adoption of GAAP has resulted in fund deficits as of June 30, 2001. The funds listed below had negative fund balance or retained earnings. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

<u>Fund</u>	<u>Deficit Balance</u>
Permanent Improvement	\$4,480,680
Miscellaneous Federal Grants	132,642
DPIA	367,229
Head Start	474,256
Post Secondary Vocational Education	39,745
Pell Grant	20,147

COMPLIANCE

EXPENDITURES EXCEEDED APPROPRIATIONS

For fiscal year ended June 30, 2001, the District had expenditures or expenditures plus encumbrances in excess of amounts appropriated in the following funds:

<u>Fund</u>	<u>Amount</u>
DPIA	\$6,375,766
Telecommunications Act	688,348
Head Start	517,348
Extended Learning	496,022
Education For Economic Security	191,674
Excellence in Education	187,493
Economic Opportunity IIA	162,400
Post Secondary Voc-Ed	144,039
Goals 2000	124,869
Vocational Education Enhancement	20,001
Emergency Immigrant Education Assistance	13,803
Interactive Video Learning	10,861

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

APPROPRIATIONS EXCEEDED OF ESTIMATED RESOURCES

For the fiscal year ended June 30, 2001, the District has appropriations in excess of estimated resources in the amounts below for the following funds:

<u>Fund</u>	<u>Amount</u>
Alternative School	\$631,662
Title VI-B	485,355
Data Communications	149,688
EHA Pre-K	74,795

OTHER MATERIAL NON-COMPLIANCE

During fiscal year 2001, the following material noncompliance occurred:

The District made transfers from the General Fund to various other funds without resolution or proper approval of the Board.

The District failed to certify the availability of funds for certain commitments.

The District failed to establish the Internal Service Fund presented for financial reporting purposes on a budgetary/cash basis as required by statute.

NOTE 4 - RECONCILIATION OF GAAP BASIS RESULTS OF OPERATIONS TO BUDGET BASIS RESULTS OF OPERATIONS

A reconciliation for all annually budgeted governmental funds at June 30, 2001 from the GAAP basis to the budget basis for excess of revenue and other financing sources over (under) expenditures and other uses is as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>
GAAP Basis	\$44,260,373	\$ 7,117,481	\$7,095,921	\$123,660,732
Adjustments for:				
Net Revenue Accruals	3,467,135	(1,932,611)	80,500	(1,378,951)
Net Expenditure Accruals	(845,564)	(1,658,638)		1,757,083
Encumbrances	(13,757,355)	(8,332,521)		(13,513,767)
Notes Retirement	(16,740,000)			(21,870,000)
	<hr/>			
Budget Basis	<u>\$ 16,384,589</u>	<u>\$(4,806,289)</u>	<u>\$7,176,421</u>	<u>\$ 88,655,097</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS

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

Statutes require the classification of monies held by the District into three categories.

Category 1 consists of "active" monies. Those monies are required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies 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, or in money market deposit accounts.

Category 2 consists of "inactive" monies. Those monies are not required for the use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" monies. Those monies are not needed for immediate use but will be needed before the end of the current period of designation of depositories. Interim monies may be invested or deposited in the following securities provided the investments mature or are redeemable within two years from the date of purchase:

1. 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligation 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 issuance of federal government agencies or instrumentalities;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of District cash and investments is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions hold collateral.

The following information categorizes deposits and investments as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

DEPOSITS

At year-end, the carrying amount of the District's deposits was (\$5,992,035). The District had cash on hand of \$8,076. The bank balance of deposits was \$170,506; \$133,122 was covered by federal depository insurance and the remaining balance was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions. The deficit in the carrying amount of the District's deposits represents outstanding checks for payroll and other District expenditures at year-end. The District keeps all its available cash fully invested until checks are presented for payments in the zero-based disbursement accounts.

INVESTMENTS

The District's investments are categorized below to give an indication of the level of risk assumed by the entity at the year-end.

Investments are classified into these three categories of credit risk:

- (1) Includes investments that are insured or registered or for which the District or its agent in the District's name holds the securities;
- (2) Includes uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name;
- (3) Uninsured and unregistered with securities held by the counter party, by its trust department or agent, but not in the District's name.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

The District's investments at June 30, 2001 are classified as follows:

	Category			Carrying/Fair Value
	1	2	3	
Common Stock	\$655,398	\$ -	\$ -	\$ 655,398
Government Securities	-	27,821,807	-	27,821,807
Non Categorized:				
State Treasury				
Asset Reserve of Ohio	-	-	-	\$252,462,253
Totals	\$655,398	\$ 27,821,807	\$ -	\$280,939,458

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied on April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for the real property taxes are established by State of Ohio law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88% of cost). Tangible personal property assessments for 2000 are 25% of true value. The assessed value upon which the fiscal year 2001 taxes were collected as follows:

<u>2001 Tax Year Valuation</u>	<u>2001 First Half Collections</u>	<u>2000 Second Half Collections</u>
Real Property		
Residential/Agricultural	\$ 2,994,016,410	\$ 2,983,356,010
Commercial/Industrial	19,449,077,110	1,957,543,700
Public Utilities	9,975,400	10,306,690
Tangible Personal Property Taxes		
General	728,375,690	717,580,330
Public Utilities	416,613,010	440,480,530
Total	<u>\$ 6,098,057,620</u>	<u>\$ 6,109,267,260</u>

The full tax rate applied to real property for the tax year ended December 31, 2000, was \$56.93 per \$1,000 of annual valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable by June 20. Under certain circumstances, State of Ohio statutes permit earlier or later payment dates to be established.

The Hamilton County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits the taxes collected to the District. These tax "advances" are based on 90% of actual tax collected.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

Property taxes receivable represents uncollected current and delinquent real property, personal property and public utility taxes that were measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2001 was \$34,665,000 in the General Fund and \$119,000 in the Debt Service Fund.

NOTE 7 - FIXED ASSETS

A summary of the Proprietary Fund property, plant and equipment at June 30, 2001 is as follows:

	Enterprise
Vehicles, Machinery and Equipment 7/1/00	\$ 9,079,779
Additions:	
Furniture and equipment	510,045
Total Fixed Assets	9,589,824
Less Accumulated Depreciation	7,711,023
Net Fixed Assets-Proprietary Fund	\$ 1,878,801

A summary of the net changes in General Fixed Assets is as follows:

	Balance 7/1/00	Additions	Disposals	Balance 6/30/01
Land	\$ 11,696,565	\$ -	\$ -	\$ 11,696,565
Land Improvements	9,263,600	-	-	9,263,600
Building and Building Improvements	145,315,527	4,568,081	-	149,883,608
Furniture and Equipment	7,925,321	451,408	-	8,376,729
Vehicles	952,211	128,267	69,887	1,080,478
Less: Accumulated Depreciation	(102,937,913)	(3,580,995)	-	(106,518,908)
Total	\$ 72,215,311	\$ 1,636,648	\$ 69,887	\$ 73,782,072

NOTE 8 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. 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 \$500,000 deductible.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

B. WORKERS COMPENSATION

For fiscal year 2001, the District participated in the Ohio Bureau of Workers Compensation Retrospective Rating Program, which requires a minimum 20% annual premium payment plus actual claims from District employees for the prior 10 calendar years. The cost for Workers Compensation claims paid in fiscal year 2001 was \$1,050,250. The premium cost paid in fiscal year 2001 was \$1,176,754. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2001, the Ohio Bureau of Workers Compensation established a reserve of \$2,608,449 for future claim payments.

C. EMPLOYEE BENEFITS

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 11.41% of gross payroll. During fiscal year 2001, the total amount of premiums collected from the other funds amounted to \$29,633,776 and claims paid were \$25,020,084, leaving a cash balance of \$4,613,692. Incurred but not recognized liabilities (IBNR's) are determined by the Actuarial Firm of Timothy P. Berghoff, FSA, MAAA. For the fiscal year ending June 30, 2001, the IBNR's were determined to be \$3,364,000.

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,696,634. Dental Care Plus does not require an employee payroll deduction.

D. BENEFIT BANK

The District offers to all employees who work a minimum of sixty-percent of full time employees and who are not AFSCME union members, a benefit called Benefit Bank. Each employee that qualifies is given \$275 on January 2 each year and employees that are married or have dependents can receive an additional \$50 if they return the application for additional funds. Substitute teachers also qualify for a \$300 benefit each September 1 if in the prior school the substitute teacher worked at least eighty-nine days and returned to teach in the current school year. The Benefit Bank pays for any medical related expense that is not paid for by Choice Care or by Dental Care Plus. Also, any expense related to optical service such as glasses or eye exams can be submitted for reimbursement from the employees benefit bank balance.

NOTE 9 – LEASES

A. CAPITAL LEASES

In prior years, the District entered into capitalized leases. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

General fixed assets acquired by lease have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. The District's future minimum payments under capital lease obligations as of June 30, 2001 are as follows:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
2002		\$ 155,734
2003		72,545
Total Minimum Lease Payments		\$ 228,279
Less: Amount Representing Interest		11,504
Present Value of Future Minimum Lease Payments		<u>\$ 216,775</u>

B. OPERATING LEASES

The District is committed under various leases for furniture and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended June 30, 2001, amounted to \$644,319. Future minimum lease payments for these leases are as follows:

Future Operating Lease Payments	
2002	\$ 212,011
Future Years	8,748,326
Total	<u>\$8,960,337</u>

NOTE 10 - NOTES PAYABLE

Following is a summary of governmental fund type bond anticipation note transactions for the period ended June 30, 2001. (Amounts in 000's)

NOTES PAYABLE:

Year Of Issue	Interest Rate	Maturity Date	Balance July 1, 2000	Additions	Payments	Balance June 30, 2001
2000	5.20%	6/27/01	\$13,000	\$ -	\$13,000	\$ -
2000	4.75%	9/14/00	7,250	-	7,250	-
2000	5.00%	4/27/01	6,480		6,480	-
2001	3.72%	4/25/02	-	4,860	-	4,860
Total			<u>\$26,730</u>	<u>\$4,860</u>	<u>\$26,730</u>	<u>\$4,860</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

NOTE 11 - LONG TERM DEBT AND OTHER OBLIGATIONS

LONG TERM TAX ANTICIPATION NOTES: (Amounts in 000's)

	Year Of Issue	Interest Rate	Maturity Date	Balance July 1, 2000	Additions	Payments	Balance June 30, 2001
Tax Anticipation Notes	1996	3.65-5.50	2001	\$ 7,195	\$ -	\$ 7,195	\$ -
Tax Anticipation Notes	1996	3.75-5.25	2002	19,595	-	9,545	10,050
Tax Anticipation Notes	2000	5.00-5.50	2005	20,000	-		20,000
				<u>\$ 46,790</u>	<u>\$ -</u>	<u>\$16,740</u>	<u>\$ 30,050</u>

Long-term debt and other obligations at June 30, 2001, and the related transactions for the fiscal year ended are summarized as follows: (Amounts in 000's)

	Years Of Issue	Interest Rate	Maturity Date Through	Balance July 1, 2000	Additions	Payments	Balance June 30, 2001
General Long Term Obligations Account Group:							
Notes Payable*	1999	4.00%	2001	\$ 23,032	\$ 27,800	\$ 23,032	\$ 27,800
General Obligation Bonds	1973- 2001	3.25 to 10.00%	2021	5,915	123,945	1,610	128,250
Compensated Absences				37,579	9,215	6,743	40,051
Obligations Under Capital Leases				163	210	156	217
Total General Long Term Obligations				<u>\$ 66,689</u>	<u>\$161,170</u>	<u>\$ 31,541</u>	<u>\$196,318</u>

*The Notes Payable are reflected as general long term obligations because they were refinanced subsequent to the balance sheet date, and mature more than 12 months after the balance sheet date.

All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such un-matured obligations of the District are accounted for in the General Long Term Obligations Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund. The source of repayment is derived from a bonded debt tax levy currently being collected at .17 mills.

Under Ohio Revised Code debt limitations, the District has the capacity to issue \$5,415,896 million in additional un-voted general obligation debt and \$459,091,012 million in overall additional debt.

Shown on the following page are the future bond funding requirements at June 30, 2001.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

GENERAL OBLIGATION BONDS			TAX ANTICIPATION NOTES		
Year of Funding	Type of Payment	Amount	Year of Funding	Type of Payment	Amount
2002	Principal Interest	\$ 5,650,000 6,252,192	2002	Principal Interest	\$15,050,000 1,326,250
2003	Principal Interest	4,580,000 6,012,046	2003	Principal Interest	5,000,000 825,000
2004	Principal Interest	4,745,000 5,788,039	2004	Principal Interest	5,000,000 550,000
2005	Principal Interest	4,955,000 5,534,384	2005	Principal Interest	5,000,000 275,000
2006	Principal Interest	5,175,000 5,293,227			
Thereafter	Principal Interest	103,145,000 40,784,244			
	Total	<u>\$197,914,132</u>		Total	<u>\$33,026,250</u>

DEFEASED DEBT

The District has an in-substance defeasance in fiscal year 1998 of \$28.675 million of outstanding 1992 serial notes, which is part of \$79,485 million in Revenue Anticipation Notes issued in 1992. The serial notes have an average interest rate of 6.12 percent. Securities were deposited in an irrevocable trust with Firststar Bank as escrow agent. The irrevocable trust is to be used solely for satisfying scheduled payments of both principal and interest of the 1992 defeasance and the liability for those notes has been removed from the balance sheet. The balance of the defeasance as June 30, 2001 is \$10,851,029.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides basic 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 state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614) 222-5853.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

Plan members are required to contribute 9 percent of their annual covered salary and the District was required to contribute 14 percent for fiscal year 2001, 4.2 percent of which was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute.

The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$7,919,775, \$8,136,012, and \$8,304,432, respectively; 81.6 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. \$1,544,426, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. STATE TEACHERS RETIREMENT SYSTEM

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3307 of the Ohio Revised Code establishes benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent for fiscal year 2001; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion to fund pension obligations was 6.0 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000 and 1999 were \$26,439,792, \$27,637,524, and \$26,835,240 respectively; 92.3 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$2,036,648, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

C. SOCIAL SECURITY

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security of the School Employees Retirement System/State Teachers Retirement System. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POST-EMPLOYMENT BENEFITS

STATE TEACHERS RETIREMENT SYSTEM/SCHOOL EMPLOYEES RETIREMENT SYSTEMS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$8,116,000 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000 (the latest information available) the balance in the Fund was \$3,419,000. For the fiscal year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefits recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits to equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$5,890,852.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. LIFE INSURANCE

The District provides life insurance to certain employees. The amounts provided are as follows:

Superintendent	\$250,000
Assistant Superintendents	234,000
Treasurer	226,000
Vice President, Business Affairs	226,000
General Counsel	200,000
Director of Human Resources	180,000
Director of Student Affairs and Discipline	100,000
Director of Public Affairs	160,000
CAAS	60,000
CFT, ACPSOP, Unrepresented	30,000
Craftsmen	34,000
IUOE	34,000

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

B. TAX SHELTERED ANNUITIES

The District offers to its employees a Deferred Compensation Plan known as Tax Sheltered Annuity. The Deferred Compensation Plan is under IRS coded 403(b). Assets of this IRS plan are considered property of the participants in the plan; therefore it is not considered a liability of the District and is not included in the financial statements.

NOTE 15 - CONTINGENCIES

A. GRANTS

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2001.

B. LITIGATION

There are several lawsuits pending in which the District is involved. The District's attorney estimates that the potential uninsured claims against the District resulting from those lawsuits would not materially affect the financial statements of the District.

NOTE 16 - INTER-FUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30,2001 were as follows:

	<u>From</u>	<u>To</u>
General Fund	\$19,770,147	
Debt Service Fund	65,000	
District Agency Fund		<u>\$19,835,147</u>
Total Due To/From Other Funds	<u>\$19,825,147</u>	<u>\$19,835,147</u>

Shown on the following page are the long-term advances from the General Fund for June 30, 2001:

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 6,007,942	\$ -
Ed Mobility	-	30
Head Start	-	812,227
OSFC Big 8	-	2,744,065
Miscellaneous State Grants	-	274,203
Adult Basic Education	-	8,016
JTPA	-	8,590
ED for Economic Security	-	5,776
ESEA VI	-	232,586
Economic Opportunity II-A	-	336,504
ECIA I	-	697
Title VI Chapter II	-	5,537
EHA Pre K	-	10,970
Telecommunications Grant Act	-	1,413,619
Miscellaneous Federal Grants	-	155,122
Total Long Term Advances	\$ 6,007,942	\$ 6,007,942

NOTE 17 - STATE FUNDING DECISIONS

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 28, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and re-determine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS- (continued)
For the Fiscal Year Ended June 30, 2001

NOTE 18 - FUND BALANCE RESERVES FOR SET-ASIDES

The District is required by the state to spend a certain percentage of the District's budget for textbooks and capital improvements. Also, the District is to set-aside one percent of cash balance in any fiscal year that revenues increase by three percent in the General Fund. A Schedule for fiscal year ending June 30, 2001, is as follows:

	Textbooks	Capital Maintenance	Budget Stabilization
Set-aside Cash Balance as of June 30, 2000	\$ 801,533	\$ -	\$ 4,043,744
Current Year Set-aside Requirement	8,180,449	8,180,449	-
Reduction Authorized by Legislative Restrictions	-	-	(2,622,918)
Qualifying Disbursements	(8,180,449)	(8,180,449)	-
Total	\$ 801,533	\$ -	\$ 1,420,826
Set-aside Carried Forward to Fiscal Year 2001	\$ 801,533	\$ -	\$ 1,420,826
Fund Balance Restricted for Fiscal Year 2001	\$ 801,533	\$ -	\$ 1,420,826

NOTE 19 - SUBSEQUENT EVENTS

On September 12, 2001, the District sold \$25,000,000 School Energy Conservation Bond Anticipation Notes, Seventh (2001), Renewal. The Notes were issued for the purpose of renewing in reduced principal amount bond anticipation notes originally issued September 22, 1994, January 25, 1996 and February 17, 2000, for the purpose of financing the making or modification of installations or the remodeling of buildings for the purpose of significantly reducing energy consumption. The Notes bear interest rates of 2.880% and mature on September 12, 2002.

NOTE 20 - PRIOR PERIOD ADJUSTMENTS

Adjustments were made to the General Fund and the Debt Service Fund for \$32,880,000 and \$154,500 respectively that reclassified real estate tax advances available at July 1, 2000, from Equity in Pooled Cash and Investments to Due From Other Funds. The District Agency Fund assets and liabilities were increased \$33,034,500 from \$108,060 to \$33,142,560. These adjustments had no effect on any fund balance.

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**FINANCIAL STATEMENTS AND SCHEDULES OF INDIVIDUAL
FUNDS AND ACCOUNT GROUPS**

GENERAL FUND

To account for government resources, which are not, required to be accounted for in any other 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 the State of Ohio.

The District maintains one General Fund. Since the level of reporting presented in the general-purpose financial statements is at its most detailed level, no additional combining statements or schedules are presented.

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

The District maintains 46 Special Revenue Funds. For reporting purposes, the District combines the smallest 34 Special Revenue funds into a fund titled Other Special Revenue Funds. These combined funds account for less than 10 percent of cash basis revenues and expenditures of all Special Revenue Funds. The accompanying Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances reflect the combination of these 34 funds into the Other Special Revenue Fund. Individual Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) are presented for all 46 Special Revenue Funds to demonstrate budgetary compliance at the individual fund level.

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

STUDENT ACTIVITY DISTRICT MANAGED – To account for those student activity programs which have student participation in the activity but do not have student management of the programs.

AUXILIARY – Used to account for monies, which provide services and materials to pupils attending non-public schools within the school district.

EXCELLENCE IN EDUCATION – To account for pupil competency assessment and instructional development in English Composition, Mathematics and Reading as required by the minimum standards for Ohio schools.

HEAD START – To distribute monies to Head Start agencies to expand their programs to serve more eligible children.

DPIA – Used to account for monies received for disadvantaged pupil impact aid.

ESEA VI – 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.

VOCATIONAL EDUCATION – To account for federal funds for the development of vocational education programs in the following categories: secondary, post secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees and work-study projects.

ECONOMIC OPPORTUNITY II-A – To provide funds to political subdivisions on the local level, or through a community Action Agency, which is the endorsing agency for federal assistance to the community.

ECIA I – 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 Child Education.

TELECOMMUNICATIONS GRANT ACT – To be used to account for a federal grant which is paid directly to the telecommunications service provider.

MISCELLANEOUS FEDERAL GRANTS – To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

OTHER SPECIAL REVENUE FUNDS:

ADULT BASIC EDUCATION – For instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth-grade education; development of basic education skills; increase of opportunities for useful employment; improvement of attitudes toward self, family, and community.

MISCELLANEOUS STATE GRANTS – To account for various monies received from state agencies which are not classified elsewhere.

TITLE II – To account for federal funds used in the training of teachers in new techniques and methodologies.

EDUCATION FOR ECONOMIC SECURITY – To provide funds for strengthening instruction in science, English, the arts and computer learning.

PUBLIC PRESCHOOL – To assist school districts in paying the cost of preschool programs for three and four year olds.

DRUG FREE SCHOOLS – To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

ALTERNATIVE SCHOOL GRANT – To account for alternative educational programs for existing and new at-risk and delinquent youth.

POST SECONDARY VOCATIONAL EDUCATION – To account for receipts and expenditures incurred in providing opportunities for adults to acquire adequate employment skills.

DATA COMMUNICATIONS – To account for money appropriated for Ohio Educational Computer Network Connections.

EHA PRE-KINDERGARTEN GRANT – Addresses the improvement and expansion of services for handicapped children ages three through five years.

CAREER DEVELOPMENT – To enable authorized school districts to comply with the provisions pertaining to career enhancement.

OHIO READS – To account for state funds received to improve literacy for kindergarten through fourth grades.

SUMMER INTERVENTION – To account for summer intervention services satisfying criteria defined in division E of section 3313.608 of the Revised Code.

JTPA – To plan and conduct that provide for the training of unemployed persons and for upgrading underemployed persons.

TEACHER DEVELOPMENT – To account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

MANAGEMENT INFORMATION SYSTEMS – To provide for hardware and software development, or other costs associated the requirements of the management information system.

VENTURE CAPITAL – To provide funds for venture capital projects.

IMPACT AID – To provide for schools maintenance and operational funds for district significantly affected by a loss of revenue from taxable real property acquired by the federal government, by a provision of public education to children who live on federal property or by a sudden and substantial increase in school attendance as a result of federal activities.

EARLY CHILDHOOD – To account for receipts and expenditures used to provide early childhood education program and other related services.

CAREER ENHANCEMENT – To provide a fund to enable authorized school districts to comply with the provisions pertaining to career enhancement.

SCHOOL NETWORK PROFESSIONAL – To account for a limited number of professional development subsidy grants.

VOCATIONAL EDUCATION ENHANCEMENTS – To expand the number of students enrolled in tech prep programs and to enable students to develop career plans.

EMERGENCY IMMIGRANT EDUCATION ASSISTANCE – To provide financial assistance to state educational agencies for educational services and costs for eligible immigrant children.

ADULT HIGH – To account for the receipts and expenditures incurred in providing opportunity for out-of-school youth and adults to earn a high school diploma or a certificate of high school equivalence.

SCIENTIFIC PERSONNEL IMPROVEMENT – Provision of project grants to help create a more effective supply of scientific manpower by providing research experience to a number of talented high school students.

DISADVANTAGED PUPIL PROGRAM – To account for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

URBAN PILOT PROGRAM – To provide rehabilitation, preventive and development programs in a coordinated and systematic school and community effort to test the impact of a maximal educational program for disadvantaged students.

EDUCATIONAL MOBILITY – To account for receipts and expenditures that support the reduction of racial isolation through the transfer of students to desegregate schools within a district.

GIFTED EDUCATION – To account for research and demonstration projects and other purposes as established under appropriation line item 220-521.

ENTRY YEAR PROGRAM – To implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

EDUCATION RESEARCH AND DEVELOPMENT – To develop and evaluate promising ways to improve the quality and cost-effectiveness of Ohio's public schools with particular emphasis on at-risk programs.

TELECOMMUNITY – To account for telecommunity grants for the Ohio Department of Education.

TEXTBOOK/MATERIAL – To account for state funds that supplement the instructional program by purchasing textbooks and related materials.

BILINGUAL EDUCATION – To develop and carry out programs to meet the needs of children of limited English proficiency.

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2001**

	Other Grants	Student Activity District Managed	Auxiliary	Excellence in Education	Head Start	DPIA
ASSETS:						
Equity in Pooled Cash and Investments	\$ 403,358	\$ 2,002,481	\$ 3,382,778	\$ 470,196	\$ 410,085	\$ 2
Investments	-	3,062	-	-	-	-
Receivables (net of Allowances for Uncollectables)						
Accounts	537,797	562	-	-	-	-
Intergovernmental - State and Local	-	-	871	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 941,155	\$ 2,006,105	\$ 3,383,649	\$ 470,196	\$ 410,085	\$ 2
LIABILITIES:						
Accounts Payable	\$ 33,526	\$ 106,722	\$ 830,059	\$ 2,058	\$ 25,428	\$ -
Accrued Wages and Benefits	139,991	173	69,520	37,181	44,278	343,509
Compensated Absences Payable	2,589	6	4,816	1,495	2,408	23,722
Advances Due To Other Funds	-	-	-	-	812,227	-
Deferred Grant Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 176,106	\$ 106,901	\$ 904,395	\$ 40,734	\$ 884,341	\$ 367,231
FUND EQUITY:						
Fund Balances:						
Reserved for Encumbrances	166,138	-	1,596,381	-	384,944	-
Unreserved:						
Undesignated	598,911	1,899,204	882,873	429,462	(859,200)	(367,229)
TOTAL FUND EQUITY	765,049	1,899,204	2,479,254	429,462	(474,256)	(367,229)
TOTAL LIABILITIES AND FUND EQUITY	\$ 941,155	\$ 2,006,105	\$ 3,383,649	\$ 470,196	\$ 410,085	\$ 2

ESEA VI	Vocational Education	Economic Opportunity II-A	ECIA I	Telecommunications Grant Act	Miscellaneous Federal Grants	Other Special Revenue Funds	Totals
\$ 132,311	\$ 633,094	\$ 122,145	\$ 4,531,001	\$ 2,815,394	\$ 96,786	\$ 7,014,964	\$ 22,014,595
-	-	-	-	-	-	-	3,062
-	-	-	1,175	-	-	74	539,608
-	-	-	-	-	-	210,465	211,336
1,794,555	225,934	875,567	4,809,693	575,931	668,164	1,200,203	10,150,047
\$ 1,926,866	\$ 859,028	\$ 997,712	\$ 9,341,869	\$ 3,391,325	\$ 764,950	\$ 8,425,706	\$ 32,918,648
13,630	14,667	3,191	89,345	2,842	8,461	174,788	1,304,717
143,029	23,412	59,244	870,764	-	39,830	127,979	1,898,910
2,959	816	1,984	14,945	-	2,672	2,784	61,196
232,586	-	336,504	697	1,413,619	155,122	313,123	3,263,878
405,802	225,934	321,565	2,801,750	305,216	668,164	1,282,765	6,011,196
\$ 798,006	\$ 264,829	\$ 722,488	\$ 3,777,501	\$ 1,721,677	\$ 874,249	\$ 1,901,439	\$ 12,539,897
118,680	458,357	119,092	775,275	2,812,550	88,447	586,788	7,106,652
1,010,180	135,842	156,132	4,789,093	(1,142,902)	(197,746)	5,937,479	13,272,099
1,128,860	594,199	275,224	5,564,368	1,669,648	(109,299)	6,524,267	20,378,751
\$ 1,926,866	\$ 859,028	\$ 997,712	\$ 9,341,869	\$ 3,391,325	\$ 764,950	\$ 8,425,706	\$ 32,918,648

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Other Grants	Student Activity District Managed	Auxiliary	Excellence in Education	Head Start	DPIA
REVENUES						
From Local Sources						
Tuition	\$ 1,077,630	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	110,001	216,822	-	-	-
Intergovernmental - State	841,297	-	9,025,049	1,343,333	1,977,662	24,275,786
Intergovernmental - Federal	17,093	-	-	-	-	-
Other Revenue	2,358,456	2,355,266	-	-	-	-
Total Revenues	4,294,476	2,465,267	9,241,871	1,343,333	1,977,662	24,275,786
EXPENDITURES						
Current						
Instruction						
Regular	1,264,250	1,148,738	-	592,633	1,902,758	24,332,488
Special	129,239	14,642	-	123,786	-	-
Vocational	278,183	3,966	-	24,066	-	-
Other	638,981	856	24,318	-	-	12,091
Support Services						
Pupil	661,099	15,599	-	542,986	794,558	-
Instructional Staff	450,111	84,195	50	78,549	432,841	-
School Administration	226,959	-	-	182,900	158,545	58,810
Fiscal	111	-	5,804	4,447	9,966	-
Operations and Maintenance	3,295	-	-	490	2,228	-
Pupil Transportation	7,480	-	-	-	25,690	-
Central	3,914	-	-	-	5,435	-
Community Services	7,458	11,929	9,530,495	-	-	-
Extracurricular Activities	-	1,083,292	-	-	-	-
Capital Outlay	354	-	-	-	-	-
Total Expenditures	3,671,434	2,363,217	9,560,667	1,549,857	3,332,021	24,403,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	623,042	102,050	(318,796)	(206,524)	(1,354,359)	(127,603)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	248,038	-	-	-	-	-
Other Miscellaneous Sources (Uses)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	248,038	-	-	-	-	-
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	871,080	102,050	(318,796)	(206,524)	(1,354,359)	(127,603)
Fund Balances, July 1	(106,031)	1,797,154	2,798,050	635,986	880,103	(239,626)
Fund Balances, June 30	\$ 765,049	\$ 1,899,204	\$ 2,479,254	\$ 429,462	\$ (474,256)	\$ (367,229)

ESEA VI	Vocational Education	Economic Opportunity II-A	ECIA I	Telecommunications Grant Act	Miscellaneous Federal Grants	Other Special Revenue Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,940	\$ -	\$ 1,084,570
-	-	414,919	-	-	-	-	741,742
-	-	-	-	-	-	6,093,322	43,556,449
4,207,105	1,487,755	1,514,468	20,641,803	-	2,980,228	2,167,793	33,016,245
-	-	-	26,175	1,196,465	-	45,214	5,981,576
4,207,105	1,487,755	1,929,387	20,667,978	1,196,465	2,987,168	8,306,329	84,380,582
6,841	-	1,042,702	70,979	-	2,955,831	339,459	33,656,679
958,982	-	-	6,886,269	-	125,387	1,162,983	9,401,288
-	832,515	-	-	-	-	128,242	1,266,972
-	-	-	71,155	-	-	810,892	1,558,293
1,092,810	82,706	644,594	261,891	-	41,793	918,968	5,057,004
849,131	44,092	345,966	7,075,202	-	144,702	973,054	10,477,893
704,406	74,770	138,386	868,272	-	253	240,899	2,654,200
1,947	695	-	361,806	-	43	20,769	405,588
-	-	924	-	-	-	27,122	34,059
-	-	4,379	243,642	-	-	819	282,010
-	1,531	3,972	4,000	1,271,587	-	314,817	1,605,256
-	-	-	1,358,285	-	-	192,139	11,100,306
-	-	-	-	-	-	-	1,083,292
-	-	-	245,747	-	-	-	246,101
3,614,117	1,036,309	2,180,923	17,447,248	1,271,587	3,268,009	5,130,163	78,828,941
592,988	451,446	(251,536)	3,220,730	(75,122)	(280,841)	3,176,166	5,551,641
-	-	-	-	-	-	1,317,802	1,565,840
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,317,802	1,565,840
592,988	451,446	(251,536)	3,220,730	(75,122)	(280,841)	4,493,968	7,117,481
535,872	142,753	526,760	2,343,638	1,744,770	171,542	2,030,299	13,261,270
\$ 1,128,860	\$ 594,199	\$ 275,224	\$ 5,564,368	\$ 1,669,648	\$ (109,299)	\$ 6,524,267	\$ 20,378,751

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Revised Budget</u>	<u>OTHER GRANTS Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 4,522,640	\$ 4,200,007	\$ (322,633)
Total expenditures and other financing uses	4,264,821	3,872,339	392,482
Excess of revenue and other financing sources over (under) expenditures and other financing uses	257,819	327,668	69,849
Fund balances, beginning of year	4,047,109	90,553	(3,956,556)
Prior year encumbrances appropriated	315,764	315,764	-
Fund balances, end of year	<u>\$ 4,620,692</u>	<u>\$ 733,985</u>	<u>\$ (3,886,707)</u>

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 2,385,533	\$ 2,462,216	\$ 76,683
Total expenditures and other financing uses	4,080,144	2,385,802	1,694,342
Excess of revenue and other financing sources over (under) expenditures and other financing uses	(1,694,611)	76,414	1,771,025
Fund balances, beginning of year	(258,076)	1,812,950	2,071,026
Prior year encumbrances appropriated	72,144	72,144	-
Fund balances, end of year	<u>\$ (1,880,543)</u>	<u>\$ 1,961,508</u>	<u>\$ 3,842,051</u>

	<u>Revised Budget</u>	<u>AUXILIARY Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 9,209,320	\$ 9,217,340	\$ 8,020
Total expenditures and other financing uses	12,425,932	11,612,790	813,142
Excess of revenue and other financing sources over (under) expenditures and other financing uses	(3,216,612)	(2,395,450)	821,162
Fund balances, beginning of year	205,370	2,064,306	1,858,936
Prior year encumbrances appropriated	1,287,932	1,287,932	-
Fund balances, end of year	<u>\$ (1,723,310)</u>	<u>\$ 956,788</u>	<u>\$ 2,680,098</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>EXCELLENCE IN EDUCATION</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 1,343,333	\$ 1,343,333	\$ -
Total expenditures and other financing uses	1,416,072	1,603,566	(187,494)
Excess of revenue and other financing sources over (under) expenditures and other financing uses	(72,739)	(260,233)	(187,494)
Fund balances, beginning of year	1,223,956	730,429	(493,527)
Prior year encumbrances appropriated	(78,928)	(78,928)	-
Fund balances, end of year	<u>\$ 1,072,289</u>	<u>\$ 391,268</u>	<u>\$ (681,021)</u>
		<u>HEAD START</u>	
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 4,173,090	\$ 3,554,788	\$ (618,302)
Total expenditures and other financing uses	3,305,266	3,822,615	(517,349)
Excess of revenue and other financing sources over (under) expenditures and other financing uses	867,824	(267,827)	(1,135,651)
Fund balances, beginning of year	(1,112,022)	-	1,112,022
Prior year encumbrances appropriated	204,266	204,266	-
Fund balances, end of year	<u>\$ (39,932)</u>	<u>\$ (63,561)</u>	<u>\$ (23,629)</u>
		<u>DPIA</u>	
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 25,872,532	\$ 24,275,786	\$ (1,596,746)
Total expenditures and other financing uses	17,900,020	24,275,786	(6,375,766)
Excess of revenue and other financing sources over (under) expenditures and other financing uses	7,972,512	-	(7,972,512)
Fund balances, beginning of year	15,705,118	-	(15,705,118)
Prior year encumbrances appropriated	20	20	-
Fund balances, end of year	<u>\$ 23,677,650</u>	<u>\$ 20</u>	<u>\$ (23,677,630)</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ESEA VI</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 3,693,351	\$ 2,893,351	\$ (800,000)
Total expenditures and other financing uses	4,618,673	3,832,578	786,095
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(925,322)	(939,227)	(13,905)
Fund balances, beginning of year	1,577,716	514,967	(1,062,749)
Prior year encumbrances appropriated	191,673	191,673	-
Fund balances, end of year	<u>\$ 844,067</u>	<u>\$ (232,587)</u>	<u>\$ (1,076,654)</u>

	<u>VOCATIONAL EDUCATION</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 1,487,755	\$ 1,487,755	\$ -
Total expenditures and other financing uses	1,626,597	1,581,595	45,002
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(138,842)	(93,840)	45,002
Fund balances, beginning of year	667,220	150,630	(516,590)
Prior year encumbrances appropriated	103,280	103,280	-
Fund balances, end of year	<u>\$ 631,658</u>	<u>\$ 160,070</u>	<u>\$ (471,588)</u>

	<u>ECONOMIC OPPORTUNITY 2-A</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 1,974,064	\$ 1,722,130	\$ (251,934)
Total expenditures and other financing uses	2,130,786	2,293,185	(162,399)
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(156,722)	(571,055)	(414,333)
Fund balances, beginning of year	184,266	215,714	31,448
Prior year encumbrances appropriated	18,838	18,838	-
Fund balances, end of year	<u>\$ 46,382</u>	<u>\$ (336,503)</u>	<u>\$ (382,885)</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ECIA 1</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 18,673,335	\$ 18,673,335	\$ -
Total expenditures and other financing uses	21,451,431	18,659,191	2,792,240
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(2,778,096)	14,144	2,792,240
Fund balances, beginning of year	10,061,564	2,785,877	(7,275,687)
Prior year encumbrances appropriated	869,701	869,701	-
Fund balances, end of year	<u>\$ 8,153,169</u>	<u>\$ 3,669,722</u>	<u>\$ (4,483,447)</u>

	<u>TELECOMMUNICATIONS GRANT ACT</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 2,447,768	\$ 925,750	\$ (1,522,018)
Total expenditures and other financing uses	3,405,020	4,093,368	(688,348)
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(957,252)	(3,167,618)	(2,210,366)
Fund balances, beginning of year	2,572,119	913,586	(1,658,533)
Prior year encumbrances appropriated	840,415	840,415	-
Fund balances, end of year	<u>\$ 2,455,282</u>	<u>\$ (1,413,617)</u>	<u>\$ (3,868,899)</u>

	<u>MISCELLANEOUS FEDERAL GRANTS</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 3,494,775	\$ 3,110,749	\$ (384,026)
Total expenditures and other financing uses	3,548,202	3,400,447	147,755
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(53,427)	(289,698)	(236,271)
Fund balances, beginning of year	3,642,291	77,622	(3,564,669)
Prior year encumbrances appropriated	56,955	56,955	-
Fund balances, end of year	<u>\$ 3,645,819</u>	<u>\$ (155,121)</u>	<u>\$ (3,800,940)</u>

Continued

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>OTHER SPECIAL REVENUE FUNDS</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 10,948,191	\$ 9,848,698	\$ (1,099,493)
Total expenditures and other financing uses	12,342,662	7,088,265	5,254,397
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(1,394,471)	2,760,433	4,154,904
Fund balances, beginning of year	6,965,018	4,719,306	(2,245,712)
Prior year encumbrances appropriated	1,447,055	1,447,055	-
Fund balances, end of year	<u>\$ 7,017,602</u>	<u>\$ 8,926,794</u>	<u>\$ 1,909,192</u>

	<u>ALL COMBINED SPECIAL REVENUE FUNDS</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 90,225,687	\$ 83,715,238	\$ (6,510,449)
Total expenditures and other financing uses	92,515,626	88,521,527	3,994,099
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(2,289,939)	(4,806,289)	(2,516,350)
Fund balances, beginning of year	45,481,649	14,075,940	(31,405,709)
Prior year encumbrances appropriated	5,329,115	5,329,115	-
Fund balances, end of year	<u>\$ 48,520,825</u>	<u>\$ 14,598,766</u>	<u>\$ (33,922,059)</u>

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DEBT SERVICE FUND

To account for accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District maintains one Debt Service Fund. Since the level of reporting presented in the general-purpose financial statements is at its most detailed level, no additional combining statements or schedules are presented.

CAPITAL PROJECT FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financial by the Proprietary or Nonexpendable Trust Funds.

PERMANENT IMPROVEMENT – To account for all transactions related to the acquiring, constructing or improving of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

BUILDING – To account for the receipts and expenditures related to all special bond funds in the district.

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

CLASSROOM FACILITIES – To account for monies used to repair and construct new school facilities.

ENERGY CONSERVATION – Provision of grants to identify and implement energy conservation maintenance and operating procedures and acquire energy conservation measure to reduce consumption.

VOCATIONAL EDUCATION EQUIPMENT – To account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills.

POWER UP – To account for State money to be spent on electrical upgrades.

VIDEO LEARNING – To account for monies received from the state to purchase video learning equipment.

OHIO SCHOOL NET – To account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom.

OSCF BIG 8 – To provide matching funds for major repairs to schools.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECT FUNDS
AS OF JUNE 30,2001**

	Permanent Improvement	Building	Replacement	Classroom Facilities
ASSETS				
Equity in Pooled Cash and Investments	\$ 420,196	\$ 19,884	\$ 20,217	\$ 109,193,694
Accounts Receivable	-	-	-	76,217
Intergovernmental State & Local Receivable	-	-	-	-
TOTAL ASSETS	\$ 420,196	\$ 19,884	\$ 20,217	# \$ 109,269,911
LIABILITIES				
Accounts Payable	\$ 8,873	\$ -	\$ -	\$ 576,147
Deferred Grant Revenue	-	-	-	-
Advances Due to Other Funds	-	-	-	-
Accrued Wages and Benefits	477	-	-	-
Accrued Interest Payable	31,526	-	-	504,487
Notes Payable	4,860,000	-	-	-
TOTAL LIABILITIES	\$ 4,900,876	\$ -	\$ -	\$ 1,080,634
FUND EQUITY				
Fund Balances				
Reserved for Encumbrances	271,999	-	-	2,680,482
Unreserved/Undesignated	(4,752,679)	19,884	20,217	105,508,795
TOTAL FUND EQUITY	(4,480,680)	19,884	20,217	108,189,277
TOTAL LIABILITIES AND FUND EQUITY	\$ 420,196	\$ 19,884	\$ 20,217	\$ 109,269,911

Energy Conservation	Vocational Education Equipment	Power Up	Video Learning	Ohio School Net	OSCF Big 8	Totals
\$ 2,270,867	\$ -	\$ 64,415	\$ 229,957	\$ 1,354,947	\$ 7,069,582	\$ 120,643,759
-	-	-	84,908	-	-	161,125
-	-	-	-	32	1,218,075	1,218,107
\$ 2,270,867	\$ -	\$ 64,415	\$ 314,865	\$ 1,354,979	\$ 8,287,657	\$ 122,022,991
\$ 16,072	\$ -	\$ -	\$ 2,280	\$ 104,557	\$ 1,058,742	\$ 1,766,671
-	-	-	84,908	-	-	84,908
-	-	-	-	-	2,744,065	2,744,065
-	-	-	-	314	-	791
1,049,076	-	-	-	-	-	1,585,089
-	-	-	-	-	-	4,860,000
\$ 1,065,148	\$ -	\$ -	\$ 87,188	\$ 104,871	\$ 3,802,807	\$ 11,041,524
2,155,482	-	-	4,154	624,141	6,010,840	11,747,098
(949,763)	-	64,415	223,523	625,967	(1,525,990)	99,234,369
1,205,719	-	64,415	227,677	1,250,108	4,484,850	110,981,467
\$ 2,270,867	\$ -	\$ 64,415	\$ 314,865	\$ 1,354,979	\$ 8,287,657	\$ 122,022,991

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Permanent Improvement	Building	Replacement	Classroom Facilities	Energy Conservation
REVENUES					
From Local Sources					
Intergovernmental - State	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	-	-	-	532,247	-
Total Revenues	-	-	-	532,247	-
EXPENDITURES					
Current					
Vocational	-	-	-	-	-
Support Services					
Pupil	490,073	-	-	-	-
Instructional Staff	-	-	-	-	-
School Administration	-	-	-	-	-
Operations and Maintenance	91,967	-	(1)	-	-
Central	9,680	-	-	-	-
Capital Outlay	273,276	-	-	2,117,883	2,836,419
Debt Service					
Interest and Fiscal Charges	319,077	-	-	504,487	975,366
Total Expenditures	1,184,073	-	(1)	2,622,370	3,811,785
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,184,073)	-	1	(2,090,123)	(3,811,785)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	1,944,000	-	-	-	-
Proceeds of Sale of Notes	-	-	-	110,279,400	7,250,000
Total Other Financing Sources (Uses)	1,944,000	-	-	110,279,400	7,250,000
Excess (Deficiency) of Revenues and other Financing Sources Over (Under) Expenditures and Other Uses	759,927	-	1	108,189,277	3,438,215
Fund Balances, July 1	(5,240,607)	19,884	20,216	-	(2,232,496)
Fund Balances, June 30	\$ (4,480,680)	\$ 19,884	\$ 20,217	\$ 108,189,277	\$ 1,205,719

Vocational Education Equipment	Power Up	Video Learning	Ohio School Net	OSCF Big 8	Totals
\$ 102,622	\$ -	\$ 234,384	\$ 430,032	\$ 11,100,705	\$ 11,867,743
-	-	-	-	-	532,247
102,622	-	234,384	430,032	11,100,705	12,399,990
102,622	-	-	-	-	102,622
-	-	-	(1,021)	-	489,052
-	-	6,707	68,254	-	74,961
-	-	-	661,460	-	661,460
-	-	-	-	8,233,784	8,325,750
-	-	-	-	-	9,680
-	-	-	(41,752)	4,568,081	9,753,907
-	-	-	-	661,896	2,460,826
102,622	-	6,707	686,941	13,463,761	21,878,258
-	-	227,677	(256,909)	(2,363,056)	(9,478,268)
-	-	-	-	-	1,944,000
-	-	-	-	13,665,600	131,195,000
-	-	-	-	13,665,600	133,139,000
-	-	227,677	(256,909)	11,302,544	123,660,732
-	64,415	-	1,507,017	(6,817,694)	(12,679,265)
\$ -	\$ 64,415	\$ 227,677	\$ 1,250,108	\$ 4,484,850	\$ 110,981,467

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>PERMANENT IMPROVEMENT</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 7,104,000	6,804,000	\$ (300,000)
Total expenditures and other financing uses	8,450,918	8,393,142	57,776
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(1,346,918)	(1,589,142)	(242,224)
Fund balances, beginning of year	(1,081,480)	1,449,750	2,531,230
Prior year encumbrances appropriated	278,718	278,718	-
Fund balances, end of year	<u>\$ (2,149,680)</u>	<u>\$ 139,326</u>	<u>\$ 2,289,006</u>
		<u>BUILDING</u>	
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ -	\$ -	\$ -
Total expenditures and other financing uses	19,000	-	19,000
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(19,000)	-	19,000
Fund balances, beginning of year	884	19,884	19,000
Prior year encumbrances appropriated	-	-	-
Fund balances, end of year	<u>\$ (18,116)</u>	<u>\$ 19,884</u>	<u>\$ 38,000</u>
		<u>REPLACEMENT</u>	
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ -	\$ -	\$ -
Total expenditures and other financing uses	20,000	-	20,000
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(20,000)	-	20,000
Fund balances, beginning of year	297	20,217	19,920
Prior year encumbrances appropriated	-	-	-
Fund balances, end of year	<u>\$ (19,703)</u>	<u>\$ 20,217</u>	<u>\$ 39,920</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ENERGY CONSERVATION</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 11,000,000	\$ 7,250,000	\$ (3,750,000)
Total expenditures and other financing uses	13,156,911	12,709,392	447,519
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(2,156,911)	(5,459,392)	(3,302,481)
Fund balances, beginning of year	7,256,591	2,170,794	(5,085,797)
Prior year encumbrances appropriated	3,387,911	3,387,911	-
Fund balances, end of year	<u>\$ 8,487,591</u>	<u>\$ 99,313</u>	<u>\$ (8,388,278)</u>

	<u>VOCATIONAL EDUCATIONAL EQUIPMENT</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 102,622	\$ 102,622	\$ -
Total expenditures and other financing uses	102,622	102,622	-
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	-	-	-
Fund balances, beginning of year	37,716	-	(37,716)
Prior year encumbrances appropriated	-	-	-
Fund balances, end of year	<u>\$ 37,716</u>	<u>\$ -</u>	<u>\$ (37,716)</u>

	<u>POWER UP</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ -	\$ -	\$ -
Total expenditures and other financing uses	64,000	-	64,000
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(64,000)	-	64,000
Fund balances, beginning of year	(99,585)	64,415	164,000
Prior year encumbrances appropriated	-	-	-
Fund balances, end of year	<u>\$ (163,585)</u>	<u>\$ 64,415</u>	<u>\$ 228,000</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>OHIO SCHOOL NET</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$402,000	\$430,000	\$28,000
Total expenditures and other financing uses	1,739,956	\$1,351,707	388,249
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	(1,337,956)	(921,707)	416,249
Fund balances, beginning of year	1,661,588	\$1,364,000	(297,588)
Prior year encumbrances appropriated	183,956	\$183,956	0
Fund balances, end of year	<u>\$507,588</u>	<u>\$626,249</u>	<u>\$118,661</u>
	<u>CLASSROOM FACILITIES</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$114,373,605	\$110,735,430	(\$3,638,175)
Total expenditures and other financing uses	8,000,000	\$4,798,365	3,201,635
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	106,373,605	105,937,065	(436,540)
Fund balances, beginning of year	-	-	-
Prior year encumbrances appropriated	-	-	-
Fund balances, end of year	<u>106,373,605</u>	<u>105,937,065</u>	<u>(436,540)</u>
	<u>OCFC-BIG-8</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$37,410,914	\$23,548,230	(\$13,862,684)
Total expenditures and other financing uses	34,123,884	33,083,480	1,040,404
Excess of revenue and other financing sources over(under)expenditrues and other financing uses	3,287,030	(9,535,250)	(12,822,280)
Fund balances, beginning of year	8,018,066	5,000,000	(3,018,066)
Prior year encumbrances appropriated	8,112,770	8,112,770	-
Fund balances, end of year	<u>\$ 19,417,866</u>	<u>\$ 3,577,520</u>	<u>\$ (15,840,346)</u>

Continued

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>INTERACTIVE VIDEO LEARNING PROJECT</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$ 234,384	\$ 234,384	\$ -
Total expenditures and other financing uses	-	\$ 10,861	(10,861)
Excess of revenue and other financing sources over (under) expenditures and other financing uses	234,384	223,523	(10,861)
Fund balances, beginning of year	-		-
Prior year encumbrances appropriated	-	\$ -	-
Fund balances, end of year	<u>\$ 234,384</u>	<u>\$ 223,523</u>	<u>\$ (10,861)</u>

	<u>ALL COMBINED CAPITAL PROJECT FUNDS</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total revenues and other financing sources	\$170,627,525	\$ 149,104,666	\$ (21,522,859)
Total expenditures and other financing uses	\$ 65,677,291	60,449,569	5,227,722
Excess of revenue and other financing sources over (under) expenditures and other financing uses	104,950,234	88,655,097	(16,295,137)
Fund balances, beginning of year	\$ 15,794,077	10,089,060	(5,705,017)
Prior year encumbrances appropriated	\$ 11,963,355	11,963,355	-
Fund balances, end of year	<u>\$132,707,666</u>	<u>\$ 110,707,512</u>	<u>\$ (22,000,154)</u>

ENTERPRISE FUNDS

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Food Fund is the District's only Enterprise Fund. Since the level of reporting presented in the general-purpose financial statements is at its most detailed level, no additional combining statements or schedules are presented.

INTERNAL SERVICE FUNDS

The Internal Service Funds are established to account for the financing of goods or services provided by one department of the District to other departments of the District on a cost reimbursement basis.

The Self Insurance Fund is the District's only Internal Service Fund. Since the level of reporting presented in the general-purpose financial statements is at its most detailed level, no additional combining statements or schedules are presented.

FIDUCIARY FUNDS

EXPENDABLE TRUSTS

EXPENDABLE TRUST – To account for assets held by a school system in a trustee capacity or as an agent for individuals, other governmental and/or other funds.

ROTARY SPECIAL SERVICES – To account for income and expenses made in connection with goods and services provided by a school district.

NONEXPENDABLE TRUSTS

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

AGENCY

STUDENT ACTIVITY (S/A) STUDENT MANAGED – To account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

DISTRICT AGENCY – To account for those assets held by a school district as an agent for individuals, private organization, other governmental units and /or other funds.

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
AS OF JUNE 30, 2001**

	Expendable Trust Funds			Nonexpendable Trust Fund	Agency		Total
	Expendable Trust	Rotary Special Services			S/A Student Managed	District Agency	
ASSETS							
Equity in Pooled Cash and Investment	\$ 1,071,587	\$ 72,184	\$ 997,644	\$ 41,621	\$ 19,835,147	\$ 22,018,183	
Investments	498,129	-	154,207	-	-	652,336	
Receivables (Net of Allowances for Uncollectibles)		-			-	-	
Accounts	148	-	-	-	-	148	
Accrued Interest	2,085	-	-	-	-	2,085	
TOTAL ASSETS	\$ 1,571,949	\$ 72,184	\$ 1,151,851	\$ 41,621	\$ 19,835,147	\$ 22,672,752	
LIABILITIES							
Accounts Payable	\$ 2,259	\$ 4,685	\$ -	\$ 196	\$ -	\$ 7,140	
Due to Other Funds	-	-	-	-	19,835,147	19,835,147	
Due to Students	-	-	-	41,425	-	41,425	
TOTAL LIABILITIES	\$ 2,259	\$ 4,685	\$ -	\$ 41,621	\$ 19,835,147	\$ 19,883,712	
FUND EQUITY							
Fund Balances							
Reserved for Endowments	-	-	793,172	-	-	793,172	
Unreserved/Undesignated	-	-	358,679	-	-	358,679	
TOTAL FUND EQUITY	1,569,690	\$ 67,499	1,151,851	-	-	2,789,040	
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,571,949	\$ 72,184	\$ 1,151,851	\$ 41,621	\$ 19,835,147	\$ 22,672,752	

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-
 ALL EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Expendable Trusts</u>		<u>Total</u>
	<u>Expendable Trust</u>	<u>Rotary Special Services</u>	
REVENUES			
From Local Sources	\$ -	\$ -	\$ -
Earnings on Investments	96,457	-	96,457
Other Revenue	286,647	49,468	336,115
Total Revenues	<u>383,104</u>	<u>49,468</u>	<u>432,572</u>
EXPENDITURES			
Current			
Instruction			
Regular	37,352	53,605	90,957
General Administration	4,539	-	4,539
Community Services	120,567	-	120,567
Extra Curricular Activities	3,644	-	3,644
Total Expenditures	<u>166,102</u>	<u>53,605</u>	<u>219,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	217,002	(4,137)	212,865
Fund Balances, July 1	<u>1,352,688</u>	<u>71,636</u>	<u>1,424,324</u>
Fund Balances, June 30	<u>\$ 1,569,690</u>	<u>\$ 67,499</u>	<u>\$ 1,637,189</u>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

STUDENT ACTIVITY MANAGED

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Equity in Pooled Cash and Investment	\$ 41,137	\$ 49,997	\$ 49,513	\$ 41,621
Total Assets	\$ 41,137	\$ 49,997	\$ 49,513	\$ 41,621
LIABILITIES				
Accounts Payable	\$ 196		\$ -	\$ 196
Due to Students	40,941	49,997	49,513	41,425
Total Liabilities	\$ 41,137	\$ 49,997	\$ 49,513	\$ 41,621

DISTRICT AGENCY

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Equity in Pooled Cash and Investment	\$ 33,142,560	\$ 20,016,940	\$ 33,324,353	\$ 19,835,147
Total Assets	\$ 33,142,560	\$ 20,016,940	\$ 33,324,353	\$ 19,835,147
LIABILITIES				
Intergovernmental Payable	\$ 1,689	\$ -	\$ 1,689	\$ -
Due to Other Funds	33,034,500	19,835,147	33,034,500	19,835,147
Due to Students	106,371	181,793	288,164	-
Total Liabilities	\$ 33,142,560	\$ 20,016,940	\$ 33,324,353	\$ 19,835,147

TOTAL ALL AGENCY FUNDS

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Equity in Pooled Cash and Investment	\$ 33,183,697	\$ 20,066,937	\$ 33,373,866	\$ 19,876,768
Total Assets				
LIABILITIES				
Accounts Payable	\$ 196	\$ -	\$ -	\$ 196
Intergovernmental Payable	1,689	-	1,689	-
Due to Other Funds	33,034,500	19,835,147	33,034,500	19,835,147
Due to Students	147,312	231,790	337,677	41,425
Total Liabilities	\$ 33,183,697	\$ 20,066,937	\$ 33,373,866	\$ 19,876,768

GENERAL FIXED ASSET ACCOUNT GROUP

To account for the fixed assets other than those accounted for in the proprietary and nonexpendable trust funds.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
AS OF JUNE 30, 2001

General Fixed Assets

Land And Land Improvements	\$ 20,960,165
Buildings And Building Improvements	149,883,608
Furniture, Fixtures And Equipment	8,376,729
Vehicles	1,080,478
Less Accumulated Depreciation	<u>(106,518,908)</u>

Total General Fixed Assets	<u><u>\$ 73,782,072</u></u>
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Investment In General Fixed Assets By Source

General Fixed Assets Acquired Prior to June 30, 1999	\$ 163,396,417
General Fund	3,433,381
Special Revenue Funds	257,971
Capital Projects Funds	4,572,679
Donnations	8,640,532
Less Accumulated Depreciation	<u>(106,518,908)</u>

Total General Fixed Assets	<u><u>\$ 73,782,072</u></u>
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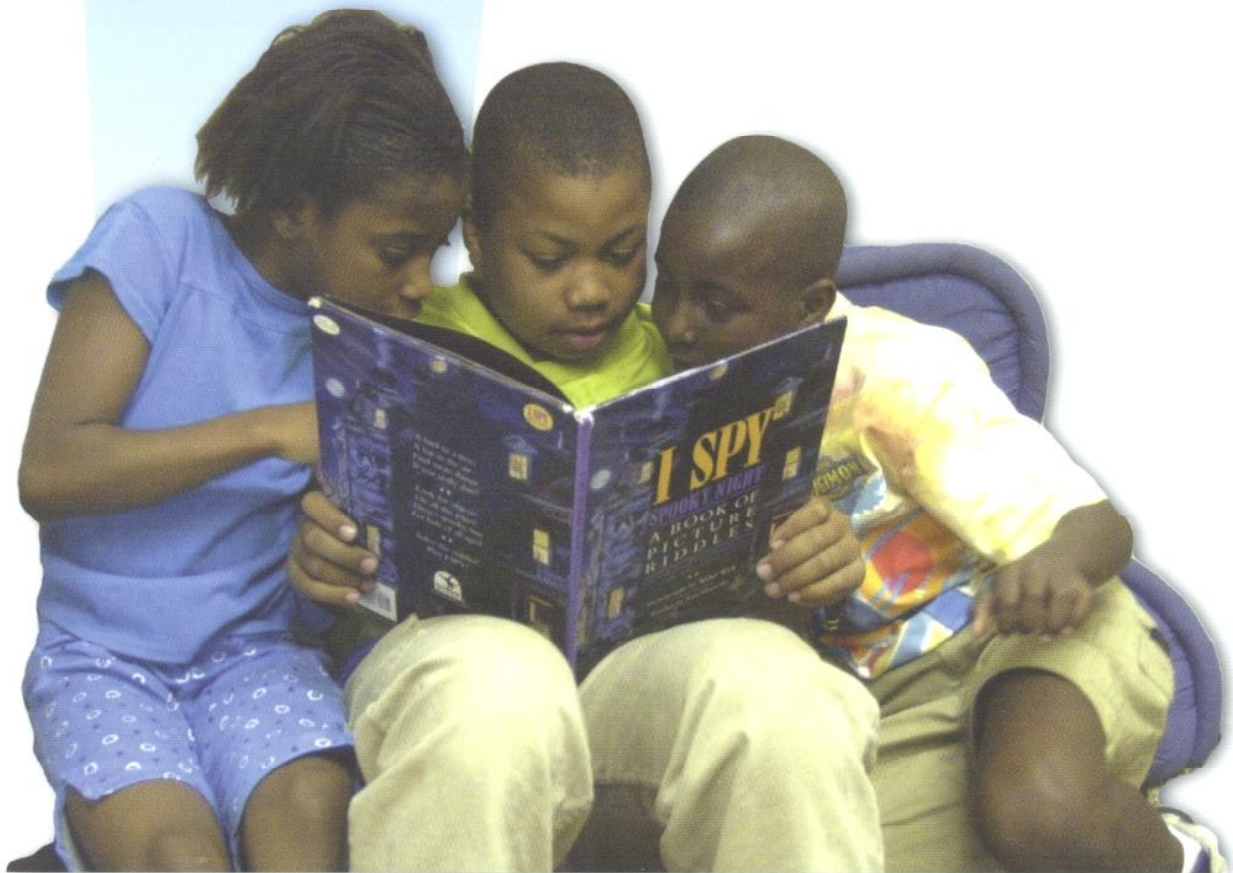
CINCINNATI CITY SCHOLL DISTRICT, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Function	Balance at July 1, 2000	Additions	Deductions	Balance at June 30, 2001
Instruction				
Regular	\$ 150,689,843	\$ 4,910,400	\$ 69,887	\$ 155,530,356
Special	57,763	-	-	57,763
Vocational	13,248,375	-	-	13,248,375
Support Seviles				
Pupil	44,736	-	-	44,736
Instructional Staff	29,873	4,598	-	34,471
Administration	42,650	302,645	-	345,295
Fiscal	96,916	-	-	96,916
Business	3,140	-	-	3,140
Operations And Maintenance	1,302,284	-	-	1,302,284
Pupil Transportation	25,615	-	-	25,615
Central	9,001,229	-	-	9,001,229
Extracurricular	610,800	-	-	610,800
Total General Fixed Assets Allocated to Functions	175,153,224	5,217,643	69,887	180,300,980
Accumulated Depreciation	(102,937,913)	(3,580,995)	-	(106,518,908)
Net General Fixed Assets Allocated to Functions	\$ 72,215,311	\$ 1,636,648	\$ 69,887	\$ 73,782,072

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Statistical Section

Cincinnati City School District
Cincinnati, Ohio



**CINCINNATI CITY SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
1992-2001**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
Current:										
Instruction:										
Regular	\$155,457,753	\$143,230,877	\$148,655,771	\$137,416,440	\$131,724,125	\$123,540,067	\$130,311,766	\$135,537,090	\$140,612,498	\$130,993,512
Special	36,544,388	37,340,503	39,307,268	36,115,483	35,011,372	30,726,869	25,053,531	21,132,252	23,272,350	21,683,533
Vocational	6,646,576	7,708,276	10,924,421	11,725,582	10,431,222	9,940,618	10,269,847	9,463,017	14,555,640	15,123,272
Adult	31,528	22,799	0	0	15,620	90	172	1,224	2,496,129	1,566,192
Support services:										
Pupils	11,588,753	11,089,310	8,727,623	8,346,978	7,769,775	6,850,461	9,461,355	8,797,062	8,297,328	7,778,105
Instructional staff	11,802,997	11,309,493	11,970,461	11,771,950	10,970,401	7,912,710	10,285,444	6,934,265	1,827,906	1,899,177
General administration	215,720	190,101	218,741	248,689	205,853	134,249	153,192	127,856	395,602	460,044
School administration	26,745,792	25,523,346	25,680,388	25,112,210	24,449,346	25,709,499	26,418,824	22,187,238	24,841,612	19,622,688
Fiscal	1,827,438	2,289,454	2,506,700	1,520,336	937,462	1,172,413	4,329,511	4,333,916	7,399,934	6,653,884
Business	408,122	862,675	927,132	1,043,511	1,007,520	865,691	1,170,400	1,344,370	813,345	1,006,238
Operation and maintenance	30,846,606	28,156,671	27,887,256	26,799,501	26,598,751	25,943,459	29,595,369	25,545,975	34,982,552	34,954,433
Pupil transportation	21,524,481	20,978,396	20,402,745	20,020,862	18,887,642	17,410,910	18,212,713	16,698,320	16,626,333	15,712,572
Central	15,132,672	14,018,255	12,520,701	11,622,041	9,948,646	7,951,815	12,221,725	22,100,426	7,027,953	7,527,931
Community services	0	0	0	0	0	888	(5)	0	275,025	85,191
Extracurricular activities	2,830,733	2,628,136	2,222,398	2,087,636	1,935,762	1,231,212	1,653,631	1,456,245	1,615,594	1,536,041
Capital outlay	2,193,401	1,225,452	1,155,947	1,310,267	518,504	887,525	1,857,585	756,506	404,512	123,866
Debt service	41,798,794	51,841,359	66,024,391	90,689,285	89,102,666	59,305,023	63,584	24,707	24,621	20,756,282
Miscellaneous	13,130	0	0	0	0	0	0	0	0	0
Total General Fund Expenditures	\$365,608,884	\$358,415,103	\$379,131,943	\$385,830,771	\$369,514,667	\$319,583,499	\$281,058,644	\$276,440,469	\$285,468,934	\$287,482,961

Source: Cincinnati City School District Financial Records.

Note: Table Prepared on a Cash Basis.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
1992-2001**

	2001 Fiscal	2000 Fiscal	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal
Taxes	\$220,285,246	\$192,273,000	\$210,030,000	\$199,543,000	\$197,676,300	\$142,916,800	\$176,247,411	\$176,104,538	\$173,673,162	\$154,895,733
Revenue in lieu of taxes	4,598,900	6,151,000	3,330,000	1,442,000	907,900	695,200	0	0	0	0
Tuition	542,380	269,000	491,000	413,000	408,800	319,400	499,587	423,183	588,275	534,220
Earnings on investments	9,432,203	5,189,000	4,773,000	4,979,000	4,738,800	3,571,100	3,159,943	2,401,175	3,810,030	3,737,126
Proceeds from Sale of Notes	20,550,000									
Other local revenues	2,597,915	2,172,000	427,000	2,107,000	394,800	269,300	411,397	959,104	671,444	2,882,038
Intergovernmental - State	140,356,675	150,215,000	143,436,000	126,108,000	119,718,900	119,249,700	94,540,294	102,643,538	116,847,561	103,402,745
Intergovernmental - Federal	2,106,927	2,296,000	1,402,000	1,386,000	114,200	115,800	948,067	398,179	0	28,562
Total General Fund Revenue	\$400,470,246	\$358,565,000	\$363,889,000	\$335,978,000	\$323,959,700	\$267,137,300	\$275,806,699	\$282,929,717	\$295,590,472	\$265,480,424

Source: Cincinnati City School District Financial Records.

Note: Table Prepared on a Cash Basis.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS
1992-2001**

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent Of Outstanding Delinquent Taxes To Tax Levied
1992	\$193,362,601	\$183,949,875	95.13%	\$6,679,874	\$190,629,749	98.59%	\$15,158,631	7.84%
1993	190,043,906	183,884,811	96.76%	8,539,866	192,424,677	101.25%	19,042,599	10.02%
1994	195,011,420	187,939,384	96.37%	7,730,585	195,669,969	100.34%	17,460,021	8.95%
1995	195,428,304	189,178,238	96.80%	7,496,787	196,675,025	100.64%	17,101,054	8.75%
1996	220,851,290	212,517,810	96.23%	7,969,737	220,487,547	99.84%	18,872,311	8.55%
1997	222,898,313	215,373,561	96.62%	10,267,741	225,641,302	101.23%	20,251,870	9.09%
1998	220,331,692	213,303,649	96.81%	10,031,224	223,334,873	101.36%	19,494,363	8.85%
1999	221,284,361	212,143,157	95.87%	8,858,476	221,001,633	99.87%	18,217,452	8.23%
2000	224,300,463	215,308,075	95.99%	9,588,696	224,896,771	100.27%	20,182,069	9.00%
2001	228,954,774	206,749,808	90.38%	7,184,271	213,934,079	93.44%	14,926,159	6.43%

Source: Hamilton County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

CINCINNATI CITY SCHOOL DISTRICT, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS (1)
1991-2000

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio (3)
	Assessed Value (1)	Estimated Actual Value (2)	Assessed Value (1)	Estimated Actual Value (2)	Assessed Value (1)	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value	
1991	\$3,585,544,100	\$10,244,411,714	\$735,816,670	\$2,943,266,680	\$426,408,590	\$426,408,590	\$4,747,769,360	\$13,614,086,984	34.87%
1992	4,022,246,410	11,492,132,600	719,889,779	2,879,559,116	458,697,880	458,697,880	5,200,834,069	14,830,389,596	35.07%
1993	4,003,172,230	11,437,634,943	719,057,000	2,876,228,000	476,696,450	476,696,450	5,198,925,680	14,790,559,393	35.15%
1994	4,010,587,340	11,458,820,971	737,092,460	2,948,369,840	488,930,260	488,930,260	5,236,610,060	14,896,121,071	35.15%
1995	4,242,781,900	12,122,234,000	755,208,830	3,020,835,320	457,327,750	457,327,750	5,455,318,480	15,600,397,070	34.97%
1996	4,242,923,420	12,122,638,343	743,936,230	2,975,744,920	455,125,360	455,125,360	5,441,985,010	15,553,508,623	34.99%
1997	4,262,469,180	12,178,483,371	728,160,780	2,912,643,120	430,297,850	430,297,850	5,420,927,810	15,521,424,341	34.93%
1998	4,951,206,400	14,146,304,000	717,580,330	2,870,321,320	435,846,600	435,846,600	6,104,633,330	17,452,471,920	34.98%
1999	4,953,068,920	14,151,625,486	728,375,690	2,913,502,760	440,480,530	440,480,530	6,121,925,140	17,505,608,776	34.97%
2000	4,893,068,920	13,980,196,914	737,473,360	2,949,893,440	416,613,010	416,613,010	6,047,155,290	17,346,703,364	34.86%

Source: (1) Hamilton County Auditor. Data available thru year 2000 only.

(2) Real Property Assessed Value is 35% of Estimated Actual Value.
Tangible Personal Property Value is 25% of Estimated Actual Value.
Public Utilities Personal Value is equal to the Estimated Actual Value.

(3) Ratio represents assessed value / total estimated value.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION (CALENDAR) YEARS
1992-2001**

Tax Year	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Collection Year	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Cincinnati Public School District	56.93	51.94	53.13	53.13	53.19	53.52	48.58	48.75	49.94	50.04
Hamilton County	19.92	20.83	19.54	19.01	19.44	18.30	18.30	18.33	18.56	17.50
City of Cheviot	12.62	12.66	12.82	12.84	13.00	13.02	13.38	13.38	13.68	13.80
City of Cincinnati	10.76	10.90	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46
City of Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	1.30	1.30
City of Madeira	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
City of Norwood	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
City of Silverton	8.15	8.15	8.15	11.15	11.15	11.15	11.15	11.15	6.14	12.16
City of Wyoming	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Village of Amberly	7.00	6.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Village of Fairfax	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
City of Golf Manor	25.32	19.42	19.42	19.42	19.60	19.60	19.60	12.60	12.60	12.90
Anderson Township	14.15	12.18	12.18	11.18	11.18	11.18	11.18	11.18	9.52	8.24
Columbia Township	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.76	19.66	19.66
Delhi Township	20.46	20.46	20.46	20.46	20.46	20.46	20.46	20.66	16.86	16.86
Green Township	8.81	8.81	8.81	8.81	8.81	8.81	8.81	7.06	7.06	7.04
Springfield Township	14.30	14.30	14.30	14.30	15.67	15.67	15.67	15.67	15.66	14.42
Sycamore Township	7.75	7.75	7.75	7.60	7.60	7.60	7.60	7.60	7.74	7.74
Eastern Emergency Ambulance	3.00	2.20	2.20	2.20	2.20	2.20	2.20	2.20	0.00	0.00
Village of Mairemont, Ohio	12.44	12.44	12.44	12.44	8.94	8.94	8.94	8.94	8.94	8.94

Source: Hamilton County Auditor.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN COLLECTION (CALENDAR) YEARS
1992-2001**

Collection Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
1992	364,040	\$4,727,527,110	\$22,378,000	\$4,342,774	\$18,035,226	0.38%	50
1993	364,040	4,777,982,770	20,015,000	N/A			
1994	364,040	5,218,832,639	17,590,000	12,983,337	4,606,663	0.09%	13
1995	364,040	5,211,209,490	15,125,000	8,569,204	6,555,796	0.13%	18
1996	364,040	5,205,007,550	13,115,000	8,528,683	4,586,317	0.09%	13
1997	364,040	5,453,116,090	11,060,000	8,601,443	2,458,557	0.05%	7
1998	364,040	5,417,157,500	8,955,000	4,368,683	4,586,317	0.08%	13
1999	364,040	5,426,476,560	7,465,000	3,453,867	4,011,133	0.07%	11
2000	364,040	6,109,267,260	5,915,000	3,642,469	2,272,531	0.04%	6
2001	331,285	6,098,057,620	128,250,000	1,965,464	126,284,536	2.07%	381

Source: (1) Census Data - Internet (<http://demographics.com/db.uscity98.htm>)

(2) Hamilton County Auditor.

(3) Cincinnati City School District Records.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2001**

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Cincinnati Public Schools	\$190,960,000	100.00%	\$190,960,000
Overlapping:			
Hamilton County	130,065,001	35.21%	45,795,887
City of Cheviot	549,842	100.00%	549,842
City of Cincinnati	284,209,271	99.96%	284,095,587
City of Madeira	6,650	0.36%	24
City of Norwood	68,392	0.78%	533
City of Silverton	589,846	93.90%	553,865
City of Wyoming	19,063	0.28%	53
Village of Amberly, Ohio	3,330,000	100.00%	3,330,000
City of Golf Manor	185,000	100.00%	185,000
Anderson Township	6,919	1.89%	131
Green Township	160,825	13.75%	22,113
Hamilton County	45,089,926	35.41%	15,966,343
Delhi	206,700	2.85%	5,891
Anderson	35,027	1.89%	662
Springfield Township	22,976	5.80%	1,333
Total Overlapping	464,545,438		350,507,265
Total Direct and Overlapping	\$655,505,438		\$541,467,265

Source: Cincinnati City School District Records.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2001**

1. Assessed Valuation of District		\$ 6,098,057,620
2. Total Principal Amount of Outstanding Securities		<u>190,960,000</u>
3. Exempt securities included in item 2:		
(a) Notes with maturities over one year and issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy under Sections 5705.194 or 5705.21, ORC:	\$ 30,050,000	
(b) Other exempt securities: 133.06(D), ORC:	4,860,000	
		<u>34,910,000</u>
4. (a) Total securities subject to 9% limitation (item 2 minus item 3):		<u>156,050,000</u>
(b) Plus principal amount of securities subject to 133.06(H), ORC:		<u>-</u>
(c) Less bond retirement fund applicable to principal of such securities:		<u>3,700,000</u>
(d) Net amount subject to 9% limitation:		<u>\$ 152,350,000</u>
5. Securities included in item 4(a), but without authority of an election :		<u>28,955,000</u>
6. (a) Securities included in item 5 issued for energy conservation measures under Section 3313.372, ORC after August 19, 1994 and Section 133.06(G), ORC:		<u>-</u>
(b) Bond retirement fund applicable to principal of such securities:		<u>28,955,000</u>
(c) Net amount subject to 9/10 of 1% limitation of Section 133.06(G) ORC:		<u>\$ 28,955,000</u>
7. (a) Unvoted securities issued for other purposes (item 5 minus item 6a)		28,955,000
(b) Bond retirement fund applicable to principal of such securities:		-
(c) Net amount subject to 1/10 of 1% limitation of Section 133.06(A), ORC:		<u>\$ 28,955,000</u>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
1992-2001**

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures %
1992	\$1,700,000	\$1,097,242	\$2,797,242	\$287,482,961	0.97%
1993	2,363,000	1,334,954	3,697,954	285,468,934	1.30%
1994	2,425,000	1,178,240	3,603,240	276,440,469	1.30%
1995	2,465,000	1,040,889	3,505,889	281,058,644	1.25%
1996	2,010,000	913,658	2,923,658	319,583,499	0.91%
1997	2,055,000	795,069	2,850,069	369,514,667	0.77%
1998	2,105,000	672,536	2,777,536	385,830,771	0.72%
1999	1,490,000	562,938	2,052,938	379,131,943	0.54%
2000	1,550,000	467,655	2,017,655	358,415,103	0.56%
2001	1,610,000	477,910	2,087,910	365,595,754	0.57%

Source: Cincinnati City School District Records.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN COLLECTION (CALENDAR) YEARS
1992-2001**

Fiscal Year	Construction (1)	Bank Deposits (000's) (2)	Real Property Values (3)
1992	\$224,423,862	\$12,899,203	\$3,563,449,320
1993	216,232,845	13,274,239	3,575,544,100
1994	182,642,757	20,249,023	4,022,246,410
1995	201,766,948	17,301,493	4,003,172,230
1996	258,999,335	19,276,655	4,010,587,340
1997	231,917,215	21,598,936	4,242,781,900
1998	266,664,102	18,070,437	4,242,923,420
1999	448,483,877	23,939,085	4,262,469,180
2000	730,928,855	41,302,569	4,951,206,400
2001	896,646,074	46,547,503	4,953,068,920

Sources: (1) Cincinnati Department of Building Inspections.

(2) Total deposits of all banks headquartered in Hamilton County, Ohio. Data was not available for the District only. Department of Commerce, Banks Division (<http://www.ffiec.gov/nic>).

(3) Hamilton County Auditor.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
CINCINNATI CITY SCHOOL DISTRICT AREA
TEN LARGEST EMPLOYERS
AS OF JUNE 30, 2001**

Employer	Nature of Business	Number of Employees
The Kroger Company	Consumer Goods Distribution	16,194
The Proctor and Gamble Company	Consumer Goods Manufacturing	14,242
Greater Cincinnati Federal Government	Government	13,595
University of Cincinnati	Education	13,585
Health Alliance of Greater Cincinnati	Health Care	13,422
City of Cincinnati	Government	7,669
GE Aircraft Engines	Manufacturing	7,500
TriHealth, Incorporated	Health Care	7,455
Cincinnati Public Schools	Education	7,373
American Financial Group	Finance	6,000
Hamilton County	Government	6,000

Source: Greater Cincinnati Chamber of Commerce/Business Courier Book of Lists April 2000

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
 ASSESSED VALUE
 TOP TEN TAXPAYERS
 AS OF JUNE 30, 2001**

Name of Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy	Public Utility	\$322,691,870	5.29%
The Procter and Gamble Company	Consumer Goods Manufacturing	117,991,700	1.93%
Cincinnati Bell Telephone	Public Utility	82,962,180	1.36%
City of Cincinnati	City Government	51,530,480	0.85%
Emery Realty	Real Estate Holdings	30,975,000	0.51%
Hamilton County Commissioners	County Government	30,135,220	0.49%
Prudential Insurance	Real Estate Holdings	28,000,000	0.46%
Columbia Development	Real Estate Holdings	27,720,000	0.45%
Ohio Teachers Retirement System	Real Estate Holdings	26,775,000	0.44%
Fifth Third Center	Real Estate Holdings	21,350,000	0.35%
All Others		5,357,926,170	87.86%
Total		\$6,098,057,620	100.00%

Source: Cincinnati City School District Records

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
TANGIBLE PERSONAL PROPERTY TAX COLLECTIONS
LAST TEN FISCAL YEARS (Unaudited)
1992-2001**

Fiscal Year	Collections
1992	\$50,197,107
1993	37,289,557
1994	60,230,826
1995	54,089,574
1996	37,242,045
1997	64,449,746
1998	63,388,834
1999	62,644,710
2000	61,246,323
2001	60,954,426

Source: Hamilton County Auditor.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
NUMBER OF TEACHERS, EDUCATION AND YEARS OF EXPERIENCE
AS OF JUNE 30, 2001**

Education	Number of Teachers	Percentage of Total
Bachelor's Degree	525	17.12%
Bachelor's Degree with 150 Semester Hours	786	25.63%
Master's Degree	1,271	41.44%
Master's Degree with 30 Semester Hours	441	14.38%
Doctoral Degree	44	1.43%
Total Number of Teachers	3,067	100.00%

Experience	Number of Teachers	Percentage of Total
0 - 5 years	477	15.53%
6 - 10 years	506	16.51%
10 + years	2,084	67.96%
Total Number of Teachers	3,067	100.00%

Source: Human Resource Department.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF INSURANCE POLICIES
AS OF JUNE 30, 2001**

Company	Type of Insurance	Policy Number	Policy Period	Liability Limits	Deductible	Annual Premium
Hartford Insurance	Property (Fire/Catastrophe)	33XLSQG3414	12/1/00 - 12/1/01	\$50,000,000	\$250,000	\$192,000
Hartford Insurance	Travel Accident	33SR801418	10/1/00 - 10/1/01	5,000	NONE	6,285
Royal Insurance	General and Auto Liability	BIND280415	12/15/00 - 12/15/01	50,000,000	25,000,000	145,854
United States Fidelity and Guaranty Company	Commercial Umbrella Liability	DRE30025416301	12/15/00 - 12/15/01	5,000,000	NONE	40,000
Travelers Property Casualty	Boiler and Machinery	M5J-BMG-275K7020-TIL	12/1/00 - 12/1/01	50,000,000	5,000	18,080
Mutual of Omaha	Student Accident	MOKO878179	8/1/00 - 8/1/01			52,200

SOURCE: Cincinnati City School District Insurance Listing Held by Treasurer

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
TRANSPORTATION STATISTICS
AS OF JUNE 30, 2001**

Number of School Buses in Fleet	298
Number of Bus Drivers	399
Number of Miles Driven Per Day	21,470
Number of Miles Driven Annually	3,821,660
Average Annual Miles Per Bus	12,824
Number of Students Transported Per Day	
Public School Students	25,060
Non-Public School Students	7,184
Community School Students	2,829
Handicapped Students	2,583
Preschool Disability Students	68
Total	37,724
Number of Students Transported Per Year	6,714,872
Percent of Student Enrollment Transported	
Public	73%
Community School	7%
Non-Public	19%

Source: Cincinnati City School District T-1 of June, 2001

Note: The District does not own any school buses. All pupil transportation is contracted.

**CINCINNATI CITY SCHOOL DISTRICT, OHIO
DEMOGRAPHIC STATISTICS
LAST 10 FISCAL YEARS
1992 - 2001**

Fiscal Year	Population (1)	Employment Level (2)	Unemployment Rate (3)	School Enrollment (4)
1992	364,040	162,377	6.4%	50,077
1993	364,040	162,334	6.0%	49,965
1994	364,040	163,109	5.1%	50,316
1995	364,040	163,061	4.5%	50,314
1996	364,040	166,001	4.6%	47,382
1997	364,040	165,737	3.8%	45,917
1998	364,040	164,435	3.8%	45,798
1999	364,040	164,037	3.8%	44,918
2000	364,040	168,176	3.8%	44,345
2001	331,285	168,144	3.8%	42,680

Sources: (1) Census Data (<http://demographics.com/db.uscity98.htm>)
(2) Bureau of Labor Statistics - Internet (<http://www.economagic.com>)
(3) Bureau of Labor Statistics - Internet (<http://www.economagic.com>)
(4) Cincinnati City School District Records.

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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, 2002**