

**CINCINNATI CITY
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2006



Mary Taylor, CPA
Auditor of State

Board of Education
Cincinnati City School District
230 East 9th Street
Cincinnati, OH 45202

We have reviewed the *Independent Auditors' Report* of the Cincinnati City School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2005 to June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 10, 2007

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2006

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Food Donation	n/a	10.550	834,355	834,355
<i>(Passed through the Ohio Department of Education)</i>				
Nutrition Cluster:				
School Breakfast Program	05	10.553	2,793,678	2,793,678
National School Lunch Program	LL/VG	10.555	6,977,291	6,977,291
Summer Food Service Program for Children	24	10.559	337,837	337,837
Nutrition Cluster Total			<u>10,108,806</u>	<u>10,108,806</u>
Child and Adult Care Food Program	CC	10.558	52,690	52,690
Team Nutrition Grants	TW	10.574	2,450	2,450
Total U.S. Department of Agriculture			<u>10,998,301</u>	<u>10,998,301</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Impact Aid- Facilities Maintenance	n/a	84.040	218,973	284
Safe and Drug Free Schools & Communities - National Programs	n/a	84.184E	170,000	144,867
Small Learning Community	n/a	84.215L	-	45,028
Elementary/Secondary School Counseling	n/a	84.215E	163,627	129,390
			<u>163,627</u>	<u>174,418</u>
Community Technology Centers	n/a	84.341A	-	1,018
Project Safe Neighborhoods	n/a	84.341A	300,000	328,331
			<u>300,000</u>	<u>329,349</u>
Transition to Teaching	n/a	84.350A	-	18,620
<i>(Passed through the Ohio Department of Education)</i>				
Adult Education- State Grant Program	AB	84.002	1,228,967	1,088,284
Title I Grants to Local Educational Agencies	C1	84.010	23,261,008	22,197,372
Special Education Cluster:				
Special Education - Grants to States	6B	84.027	13,779,371	12,181,927
Special Education - Preschool Grants	PG	84.173	276,224	265,269
Special Education Cluster Total			<u>14,055,595</u>	<u>12,447,196</u>
Vocational Education - Basic Grants to States	20	84.048	1,331,012	1,196,478
Safe & Drug-Free Schools & Communities - State Grants	DR	84.186	377,880	372,968
Education for Homeless Children and Youth	HC	84.196	264,437	285,965
Twenty-First Century Community Learning Centers	T1	84.287	1,539,169	1,337,150
State Grants for Innovative Programs	C2	84.298	322,182	598,065
Education Technology State Grants	TJ	84.318	2,853,098	2,687,580
Advanced Placement Program	AV	84.330	2,548	2,548
Comprehensive School Reform Demonstration	RF	84.332	535,431	563,311
Reading First State Grants	RS	84.357	1,168,910	1,011,618
English Language Acquisition Grants	T3	84.365	144,045	150,923
Improving Teacher Quality State Grants	TR	84.367	6,418,492	5,899,148
Hurricane Education Recovery	HR	84.938	78,558	61,558
Total U.S. Department of Education			<u>54,433,932</u>	<u>50,567,702</u>

(Continued)

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2006

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<i>(Passed through the Ohio Department of Education)</i>				
Temporary Assistance for Needy Families	HS	93.558	122,372	122,372
<i>(Ohio Department of Jobs & Family Services)</i>				
Temporary Assistance for Needy Families	n/a	93.558	3,726,088	3,569,687
			<u>3,848,460</u>	<u>3,692,059</u>
<i>(Passed through the Cincinnati-Hamilton County Community Action Agency)</i>				
Head Start	n/a	93.600	2,052,050	1,957,082
<i>(Passed through the Ohio Department of Mental Retardation Retardation and Development Disabilities)</i>				
State Children's Insurance Program	n/a	93.767	43,687	43,687
Medical Assistance Program	n/a	93.778	363,046	363,046
			<u>6,307,243</u>	<u>6,055,874</u>
Total U.S. Department of Health & Human Services			<u>6,307,243</u>	<u>6,055,874</u>
Total Federal Awards			\$ <u>71,739,476</u>	<u>67,621,877</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DONATION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - MATCHING REQUIREMENTS

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



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Cincinnati City School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cincinnati City School District, Ohio (the School District) as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 18, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated December 18, 2006.

This report is intended solely for the information and use of 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.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 18, 2006



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Board of Education
Cincinnati City School District, Ohio:

Compliance

We have audited the compliance of Cincinnati City School District, Ohio (the School 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 year ended June 30, 2006. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School 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 School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the School 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 School 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 the 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 reportable 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 caused by error or fraud 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 have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2006, and have issued our report thereon dated December 18, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of 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.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 18, 2006

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified that are not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	none
Identification of major programs:	
<i>CFDA 84.010 – Title I Grants to Local Educational Agencies</i>	
<i>CFDA 93.558 – Temporary Assistance for Needy Families</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$2,028,656
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2006

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with internal controls over compliance were reported in the prior year.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Hamilton County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Hamilton County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Prepared by:
Michael J. Geoghegan, CPA
Treasurer/CFO



CINCINNATI CITY SCHOOL DISTRICT, OHIO

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HAMILTON COUNTY, OHIO**

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CINCINNATI CITY SCHOOL DISTRICT, OHIO

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INTRODUCTORY SECTION





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

December 18, 2006

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, 2006. This report was prepared by the Office of the Treasurer/CFO and includes the report of the independent auditor, Clark, Schaefer, Hackett & Company. The independent auditors' report concludes that the District's financial statements for the year ended June 30, 2006 are prepared in conformity with generally accepted accounting principles. The independent auditor's report is included as the first component of the financial section of this report.

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

The CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes this letter of transmittal, an organization chart and a list of the District's elected board members and other members of the administration.

The Financial Section begins with the Independent Auditors' Report and includes Management's Discussion and Analysis (MD&A), the basic financial statements and notes that provide an overview of the District's financial position and results of operations; the combining statements for nonmajor funds and other schedules that provide information relative to the basic financial statements.

The Statistical Section, which is unaudited, includes selected financial, economic and demographic information, generally presented on a multi-year basis.

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

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (June, 2003 Revision)*. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, are included in a separately issued single audit report.

Profile of the District

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

The District operates 65 schools: 50 elementary schools and 15 high schools (9-12). Several high school buildings contain more than one school. Through the use of a five-year building and maintenance plan, all facilities are kept in the best operating and physical condition possible. The District has been sensitive to an energy conservation program and is in the third year of a \$985 million, 10-year facilities improvement program.

The District's enrollment (K-12) for the 2005-06 school year was 35,900 students. The District served 67.5% of the 55,090 children who reside within its boundaries. The majority of enrolled students were members of ethnic minorities -- in the 2005-06 school year, 71.2 percent of students were African-American, 0.8 percent were Asian, 23.8 percent were Caucasian, 0.1 percent were Native American, 3.2 percent were other/multiracial, and 0.9 percent were Hispanic.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

A significant majority of students in the District – 66.0 percent - were on free or reduced lunch plans during the 2005-06 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 24,327 public students and 5,203 non-public students. Buses traveled an average of 26,685 miles each day. A self-supporting Food Services Department served an average of 19,361 lunches and 8,839 breakfasts per day for the 2005-06 school year.

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. On the State of Ohio's 2005-06 Report Card, the District is in its second year of "Continuous Improvement" and continues to make gains in academic achievement.

The Board of Education of the Cincinnati City School District (Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State of Ohio (Ohio Revised Code). The Board is comprised of seven (7) members who are elected for overlapping four-year terms. The Board members during the fiscal year ended June 30, 2006 were:

	<u>Date Current Term Commenced</u>	<u>Present Term Expires</u>
Susan Cranley, President	01/01/06	12/31/09
Eileen Cooper Reed, Vice President	01/01/06	12/21/09
Melanie Bates	01/01/06	12/31/09
John J. Gilligan	01/01/04	12/31/07
Catherine Ingram	01/01/06	12/31/09
Dr. Florence Nowell	01/01/04	12/31/07
Rick Williams	01/01/04	12/31/07

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

In April 2004, the Board appointed Rosa E. Blackwell as the Superintendent for a term commencing April 8, 2005 and ending July 31, 2008. A graduate of CPS' Hughes High School, she joined the district in 1972 as a teacher, later becoming a curriculum supervisor, a principal at elementary, junior high and high schools, and the district's deputy superintendent. She has served the children of Cincinnati for over three decades.

Mrs. Blackwell is a widely respected administrator and community leader whose leadership skills and experience include supporting teachers and other employees through quality professional development, holding employees accountable for high performance, directing successful efforts to meet CPS' financial needs, and developing partnerships and strong working relationships with diverse stakeholders to support district progress.

Her wide education experience and knowledge resulted in her being one of the first associates of the Mayerson Academy for Human Resource Development, a privately endowed, state-of-the-art training facility with the primary mission of providing first-class professional development for CPS employees.

As CPS' deputy superintendent, Mrs. Blackwell's responsibilities included developing and executing important district initiatives such as high school restructuring, the Teacher Evaluation System, the Positive School Culture initiative and building schools that serve as Community Learning Centers.

Mrs. Blackwell earned bachelor's and master's degrees in education, and her superintendent's certificate, at Cincinnati's Xavier University. She also pursued post-graduate studies in reading, counseling and learning disabilities at Xavier and in political science and educational administration at St. John's College in Santa Fe, New Mexico.

The Treasurer is appointed for a four-year term (following an initial two-year term) and serves as the chief financial officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education. The Treasurer is responsible directly to the Board for maintaining all financial records, 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.

The Board appointed Michael Geoghegan as Treasurer for a four-year term commencing January 1, 2003 and ending December 31, 2006. Mr. Geoghegan is a Certified Public Accountant, Certified Public Finance Officer, and Certified Internal Auditor and holds a Masters Degree in Business Administration from the University of Cincinnati.

Local Economic Condition and Outlook

The economy of the District is based on a wide diversity of industry. The major sources of revenue to the District are local property taxes on real and personal property, along with State aid. Other funds, such as lunch and special classes are funded for their expenditures by designated State and Federal grants.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2006

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

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

Metropolitan Cincinnati was expanded to include 15 counties in mid-2003: Hamilton, Warren, Clermont, Butler and Brown counties in Ohio; Dearborn, Franklin and Ohio counties in Indiana; and Kenton, Boone, Bracken, Campbell, Grant, Gallatin and Pendleton counties in Kentucky. There are approximately 3.7 million net square feet of office space in the downtown Cincinnati area and 23.3 million net square feet in suburban office buildings and parks. There are approximately 239.7 million square feet of industrial space and 47.5 million square feet of retail space in the area (2.6 million square feet downtown). Retail sales for 2005 in Hamilton County topped \$14.0 billion and sales surpassed \$29.6 billion for the entire Cincinnati Metropolitan Statistical Area (MSA).

Among the Metropolitan Area's more prominent manufacturing groups are transportation equipment, which includes aircraft engines and motor vehicle parts; food and kindred products; metal working and general industrial machinery; chemicals; fabricated metal products; and printing and publishing. This diverse economic base continues to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle. Total wage and salary employment in Hamilton County was estimated at 575,700 in 2005 by the U.S. Department of Commerce's Bureau of Economic Analysis. Hamilton County is home to 56% of all regional jobs and to approximately 25,000 business and industry establishments.

The Ohio Bureau of Employment Services estimated total employment in Hamilton County at 415,400 at June 30, 2006. This 94.9% employment rate is slightly above the State of Ohio employment rate of 94.6% at June 30, 2006 and trails the national rate of 95.0% at this date.

More than half of the nation's population, manufacturers, and purchasing power are located within 600 miles of Greater Cincinnati. The corporate headquarters of numerous firms are located in the Metropolitan Area, including eleven 2004 Fortune 500 corporations: the Kroger Company, Procter and Gamble, Federated Department Stores, Ashland Inc., Fifth Third Bancorp, CInergy, AK Steel, Western & Southern Financial Group, Omnicare, Inc, American Financial Group and Cincinnati Financial Corporation. The national headquarters for Sara Lee Foods and the North American headquarters for Lenscrafters are also located in the area.

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2006

Long-term Financial Planning

During FY 2006 the District fully implemented the Fiscal Responsibility Plan. The District continues to identify and execute further opportunities to reduce costs and right-size staffing levels.

In fiscal year 2006 the District began to see the results of its long-term financial planning. The District met or exceeded its budget goal for the second straight year. We met our budget goal of \$428,576,920 for fiscal 2006. We were again able to meet this goal because of our continuing effort to right-size the District, aggressively monitoring and evaluating spending and the District is making aggressive efforts to attract and retain students.

Facilities Master Plan (FMP) Surges Forward

The District's ten-year, \$985 million Facilities Master Plan (FMP) officially launched with the passage of a \$480 million bond issue in May 2003. During the period from January 2005 thru August 2006, the District has either renovated or constructed a total of 10 schools. By the fall of 2006 there will be 21 additional schools either being renovated or under construction for the next phase of the Facilities Master Plan. The District's new schools are distinctive, eye-catching buildings, with technology-ready classrooms and stand-out architectural features that provide an abundance of natural light and include courtyards that invite outdoor learning, and welcoming rotundas. As state-of-the-art, 21st century schoolhouses, these buildings quickly will become local landmarks and community anchors. The District's FMP is now fully funded with the following components:

First Stadium Bond Issue (Issued July 2001)	\$ 110,000,000
Qualified Zone Academy Bond (QZAB) (Issued December 2002)	5,000,000
"Repurposed" Bonds from Previous State Loan Fund Payments (Issued December 2002)	120,000,000
Voted Bond Issue (Issued October 2003)	480,000,000
Second Stadium Bond Issue	<u>59,529,663</u>
Subtotal Local Funds	\$ 774,529,663
State Matching Funds	<u>210,667,485</u>
TOTAL	<u>\$ 985,197,148</u>

The District's 10-year rebuilding plan will generate an economic impact of \$2.35 billion for Greater Cincinnati, including creating 2,339 jobs and \$718 million in wages, according to a University of Cincinnati study. To help more businesses get a piece of that pie, the district has revamped its polices to generate more opportunities for Small Business Enterprises (SBE) and Disadvantaged Business Enterprises (DBE), which includes small businesses, and minority- and female-owned businesses. The District's expanded Supplier Diversity Program is working to cultivate new relationships with a broader base of businesses. In FY 2005, over 29% of the District's construction contracts were awarded to minority-owned enterprises, exceeding the Board's 25% goal.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2006*

Awards and Acknowledgments

GFOA Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The June 30, 2005 CAFR was the sixth consecutive CAFR prepared by the District to receive this prestigious award.

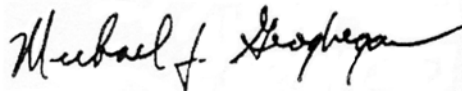
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Independent Audit. State statute requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The Auditor of State has contracted the District Audit for fiscal year ended June 30, 2006 to Clark, Schaefer, Hackett & Company, an independent certified public accounting firm. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, the 1996 amendments thereto, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the 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. Jennifer Wagner, Assistant Treasurer/Controller and to all other members of the Department. I am also grateful for the professional services of Donald J. Schonhardt & Associates and Bastin & Company, LLC, for their assistance in preparing this report. Due credit should also be given to the Board of Education and the Superintendent for their leadership and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Michael J. Geoghegan, CPA
Treasurer/CFO

CINCINNATI CITY SCHOOL DISTRICT, OHIO

List of Principal Officials June, 30, 2006

Members of the Board of Education:

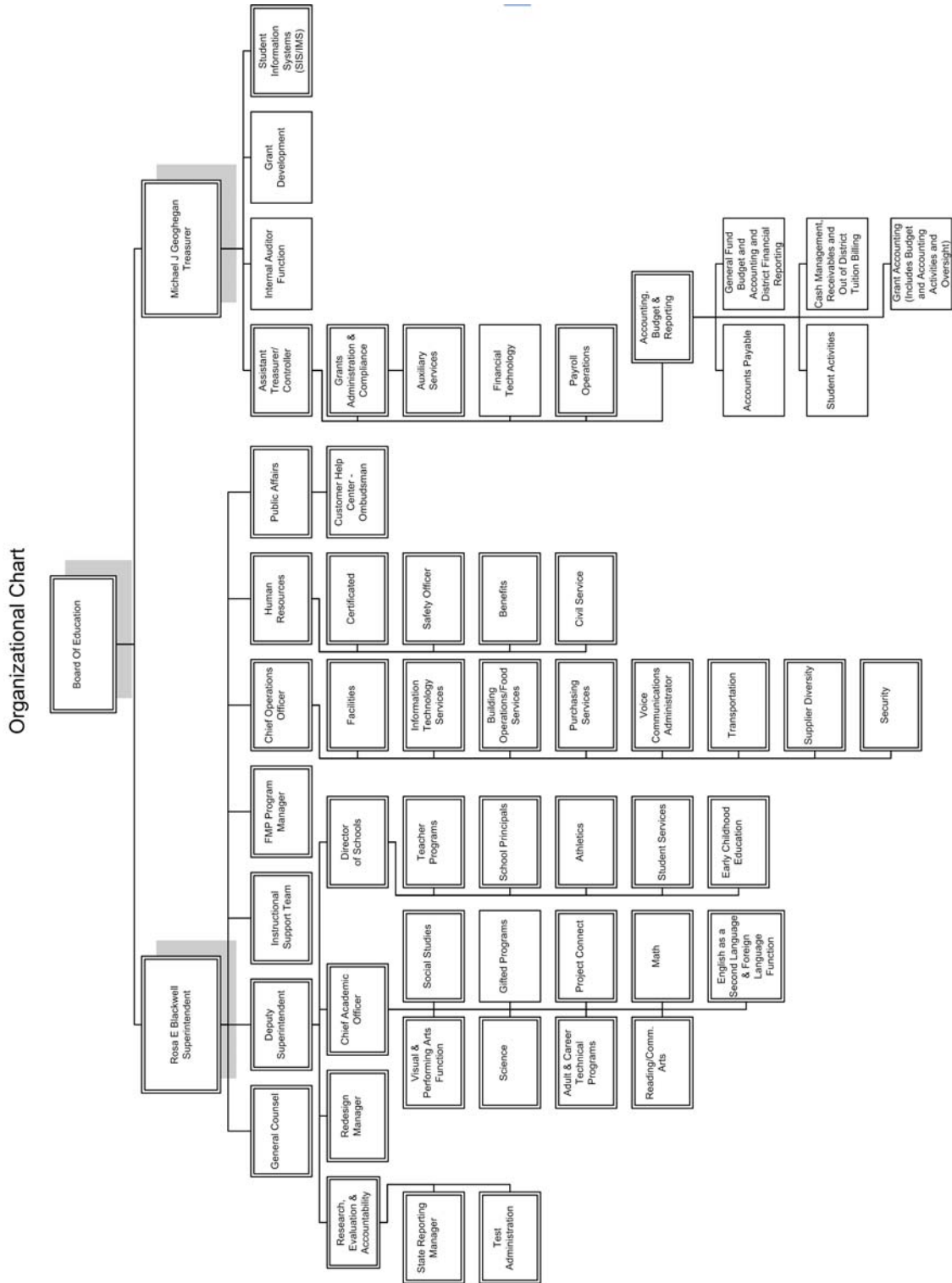
Name	Title	Term Expires
Susan Cranley	President	December 31, 2009
Eileen Reed	Vice President	December 31, 2009
Melanie Bates	Member	December 31, 2009
John J. Gilligan	Member	December 31, 2007
Catherine Ingram	Member	December 31, 2009
Dr. Florence Nowell, Ed. D.	Member	December 31, 2007
Rick Williams	Member	December 31, 2007

District Administration:

Name	Title
Rosa E. Blackwell	Superintendent
Michael J. Geoghegan	Treasurer/CFO
Catherine L. Mitchell	Deputy Superintendent
Thomas Gunnell	Chief Operations Officer
Deborah Heater	Director of Human Resources
Cynthia Dillon	General Counsel
Janet Walsh	Director of Public Affairs
William Myles	Director of Instructional Support Team

CINCINNATI CITY SCHOOL DISTRICT, OHIO

School District Organizational Chart For the Fiscal Year Ended June, 30, 2006



CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

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, 2005

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.



Thomas J. Plon
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION





Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cincinnati City School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cincinnati City School District, Ohio (the School District), as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2006, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

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

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 18, 2006

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006*

Unaudited

The discussion and analysis of the Cincinnati City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2006 are as follows:

General revenues accounted for \$547,143,595 in revenue or 82.11% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$119,191,982 or 17.89% of total revenues of \$666,335,577.

The District had \$561,337,512 in expenses related to governmental activities; only \$119,191,982 of these expenses was offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$350,356,338, revenue in lieu of taxes totaling \$15,745,319, unrestricted state and federal revenues totaling \$146,356,573, investment earnings totaling \$28,554,158 plus prior year carry over revenues) were adequate to provide for these programs.

The assets of the District exceeded its liabilities at June 30, 2006 by \$341,765,901 (net assets). Of this amount, \$91,543,314 is considered unrestricted and may be used to meet the District's on-going obligations.

The District's total net assets increased \$104,998,065 in fiscal year 2006, which represents a 44.3% increase from the fiscal year 2005 balance. The bulk of the increase is attributable to increased property tax revenues as a result of a voter approved tax levy to fund the District's facilities plan and lower personnel costs as a result of the District's Employee Severance Plan (ESP) for all qualifying employees.

Among major funds, the general fund had \$453,156,610 in revenue, \$432,688,743 in expenditures and (\$16,164,576) in net other financing uses, resulting in the general fund balance increasing by \$4,303,291 to \$88,353,960.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006*

Unaudited

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

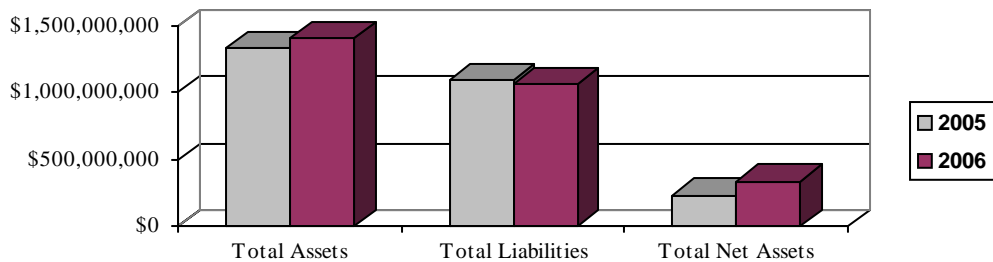
Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries.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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2006 compared to 2005:

	Governmental Activities		Increase (Decrease)
	2006	Restated 2005	
	Current and other assets	\$1,064,122,409	
Capital assets, Net	345,545,247	252,613,780	92,931,467
Total assets	1,409,667,656	1,330,358,529	79,309,127
Long-term debt outstanding	780,717,965	837,760,326	(57,042,361)
Other liabilities	287,183,790	255,830,367	31,353,423
Total liabilities	1,067,901,755	1,093,590,693	(25,688,938)
Net assets			
Invested in capital assets, net of related debt	163,202,797	123,801,968	39,400,829
Restricted	87,019,790	94,403,268	(7,383,478)
Unrestricted	91,543,314	18,562,600	72,980,714
Total net assets	\$341,765,901	\$236,767,836	\$104,998,065

Cincinnati City Schools Governmental Activities



CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006*

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2006 compared to 2005:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Revenues			
Program revenues:			
Charges for Services	\$10,851,849	\$10,070,422	\$781,427
Operating Grants	108,096,560	126,815,341	(18,718,781)
Capital Grants	243,573	63,167,849	(62,924,276)
General revenues:			
Property Taxes	350,356,338	257,719,165	92,637,173
Revenue in Lieu of Taxes	15,745,319	14,877,443	867,876
Grants and Entitlements	146,356,573	149,003,219	(2,646,646)
Other	34,685,365	16,477,928	18,207,437
Total revenues	<u>666,335,577</u>	<u>638,131,367</u>	<u>28,204,210</u>
Program Expenses			
Instruction:			
Regular	223,297,113	221,590,261	1,706,852
Special	80,390,504	78,163,915	2,226,589
Vocational	6,209,179	7,952,193	(1,743,014)
Other	4,703,448	1,743,840	2,959,608
Support Services:			
Pupils	26,628,386	28,917,415	(2,289,029)
Instructional Staff	33,757,059	35,799,980	(2,042,921)
Board of Education	308,211	348,475	(40,264)
Administration	33,272,546	83,855,686	(50,583,140)
Fiscal Services	3,889,606	4,319,078	(429,472)
Business	1,372,454	1,161,363	211,091
Operation and Maintenance of Plant	41,446,421	39,950,347	1,496,074
Pupil Transportation	24,928,584	24,960,104	(31,520)
Central	14,031,779	17,193,132	(3,161,353)
Non-Instructional Services	26,527,842	29,840,292	(3,312,450)
Extracurricular Activities	5,080,509	5,731,005	(650,496)
Interest and Fiscal Charges	35,493,871	35,335,026	158,845
Total expenses	<u>561,337,512</u>	<u>616,862,112</u>	<u>(55,524,600)</u>
Total Change in Net Assets	104,998,065	21,269,255	83,728,810
Beginning Net Assets, Restated	236,767,836	228,407,812	8,360,024
Restatement - See Note 2	0	(12,909,231)	12,909,231
Ending Net Assets	<u>\$341,765,901</u>	<u>\$236,767,836</u>	<u>\$104,998,065</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2006

Unaudited

The most significant reasons for the \$104.99 million increase in Net Assets from FY 2005 to FY 2006 are as follows:

Property tax revenues increased as a result of a voter approved levy that was approved in 2004. The levy took effect during the District's 2005 fiscal year resulting in actual assessments during 2005. Collections and revenue recognitions began during the district's 2006 fiscal year. Operating grants decreased due to lower tangible and homestead tax collections due to their phase out by the State of Ohio. The large decrease in capital grants reflects the recognition of a segment of the OSCF grant revenues in 2005 while no new segments were recognized in 2006. Other revenues increased due to higher interest earnings on investments.

The large decrease in the administrative function highlights the impact of the ESP liability that was expensed during 2005 with no impact on 2006 expenses. Intergovernmental-State revenues decreased due to lower State foundation revenues received from the State of Ohio.

Governmental Activities

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

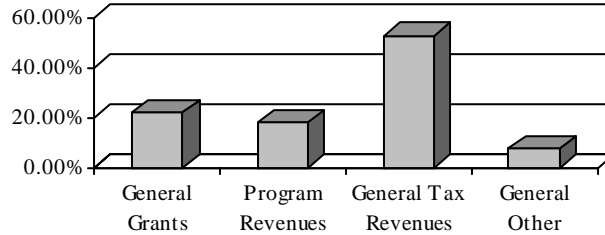
Property taxes made up 52.58% of revenues for governmental activities for the Cincinnati City School District in fiscal year 2006. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2006	Percent of Total
General Grants	\$146,356,573	21.96%
Program Revenues	119,191,982	17.89%
General Tax Revenues	350,356,338	52.58%
General Other	50,430,684	7.57%
Total Revenue	<u>\$666,335,577</u>	<u>100.00%</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006*

Unaudited



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$673,279,373, which is less than last year's total of \$726,006,542. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2006 and 2005.

	Fund Balance June 30, 2006	Fund Balance June 30, 2005	Increase (Decrease)
General	\$88,353,960	\$84,050,669	\$4,303,291
Debt Service	21,561,481	15,714,852	5,846,629
Building Capital Projects	301,695,376	306,786,894	(5,091,518)
Classroom Facilities			
Capital Projects	242,575,063	303,542,729	(60,967,666)
Other Governmental	19,093,493	15,911,398	3,182,095
Total	\$673,279,373	\$726,006,542	(\$52,727,169)

The increase in the District's General Fund is largely due to the effects resulting from the District's Fiscal Accountability Plan implemented during FY 2005 where 543 certificated teaching positions were eliminated for FY 2006 through the ESP and reduction-in-force. The decrease in the Building Capital Projects Fund balance in the amount of \$5,091,518 and the decrease in the Classroom Facilities Capital Projects Fund balance in amount of \$60,967,666 are due to payments made to vendors during fiscal year 2006. The FMP program activity increased as five new schools became operational in 2006.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

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

	2006 Revenues	2005 Revenues	Increase (Decrease)
Taxes	\$290,297,782	\$229,584,858	\$60,712,924
Tuition	1,298,534	1,277,033	21,501
In Lieu of Taxes	5,760,051	4,893,843	866,208
Investment Earnings	4,922,138	3,453,121	1,469,017
Intergovernmental - State	148,890,401	159,750,239	(10,859,838)
Intergovernmental - Federal	406,733	3,414,237	(3,007,504)
All Other Revenue	1,580,971	375,352	1,205,619
Total	\$453,156,610	\$402,748,683	\$50,407,927

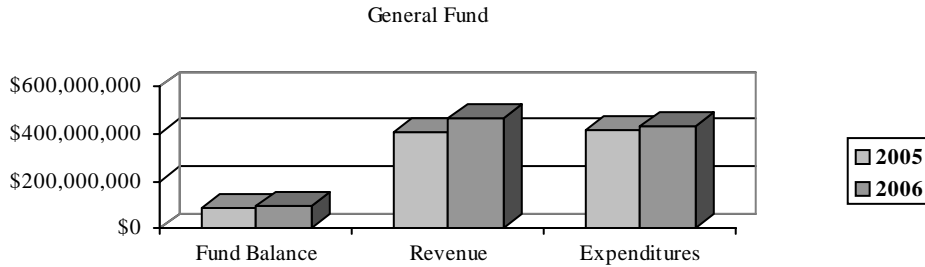
General Fund revenues in 2006 increased from 2005 primarily due to recognizing increased property tax revenues. The increase is a result of the voters approving a tax levy in 2004. The levy took effect during the District's 2005 fiscal year which resulting in the billing of higher tax rates during 2005 by the County with higher collections by the District during fiscal year 2006. Intergovernmental-State revenues decreased due to lower State foundation revenues received from the State of Ohio.

	2006 Expenditures	2005 Expenditures	Increase (Decrease)
Instruction:			
Regular	\$188,029,154	\$190,850,794	(\$2,821,640)
Special	51,843,432	53,346,484	(1,503,052)
Vocational	4,649,069	6,447,444	(1,798,375)
Other	554,440	1,069,030	(514,590)
Supporting Services:			
Pupils	15,178,459	15,529,407	(350,948)
Instructional Staff	19,673,411	19,019,794	653,617
Board of Education	300,309	349,910	(49,601)
Administration	69,197,209	39,106,452	30,090,757
Fiscal Services	2,574,228	2,684,677	(110,449)
Business	1,163,177	1,077,170	86,007
Operation and Maintenance of Plant	39,214,617	39,026,899	187,718
Pupil Transportation	24,163,398	24,586,213	(422,815)
Central	8,869,066	11,560,824	(2,691,758)
Non-Instructional Services	3,317	85	3,232
Extracurricular Activities	4,221,672	4,708,699	(487,027)
Capital Outlay	2,327,118	2,114,596	212,522
Debt Service:			
Interest & Fiscal Charges	726,667	114,583	612,084
Total	\$432,688,743	\$411,593,061	\$21,095,682

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006*

Unaudited



The \$30 million increase in administrative expenditures is a result of recognizing approximately \$44 million of expenditures during 2006 for the Employee Severance Plan (ESP) applicable to over 600 employees who accepted the plan.

Excluding the ESP expenditure, expenditures in general, decreased across most areas as a result of reduced expenditures as a result of a reduced work force and the continued enactment of the Fiscal Accountability Plan.

During the course of fiscal year 2006 the District amended its General Fund budget several times. The increase in appropriations of 13.4% between the original and final budgets represent the appropriation of contingency funds to cover the original conservative spending levels determined by the Fiscal Accountability Plan. The General Fund budget basis revenue increased less than .4% compared to the original budget estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2006 the District had \$345,545,247 net of accumulated depreciation invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and construction in progress. The following table shows fiscal year 2006 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$33,868,908	\$31,670,721	\$2,198,187
Construction in Progress	165,065,522	135,158,971	29,906,551
Land Improvements	9,723,349	10,052,419	(329,070)
Buildings and Improvements	236,459,771	181,783,790	54,675,981
Furniture, Fixtures and Equipment	4,724,168	7,102,497	(2,378,329)
Vehicles	623,942	502,881	121,061
Less: Accumulated Depreciation	(104,920,413)	(113,657,499)	8,737,086
Totals	\$345,545,247	\$252,613,780	\$92,931,467

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2006

Unaudited

For financial reporting purposes the District capitalizes all assets in excess of \$25,000. The \$29,906,551, net increase in Construction in Progress during 2006 was a result of construction of fifteen building projects as part of the District's ten year, \$985 million Facilities Master Plan. Other changes in capital asset balances are largely a result of schools that were completed during 2006 and reclassified from construction in progress to other asset classifications. The increase in capital asset balances, coupled with decreased debt balances, contributed to a net increase in Government Activities Investment in Capital Assets, Net of Related Debt in the amount of \$39,400,829. The net decrease in the balance of the Restricted for Capital Projects in the amount of \$12,565,567 was the result of the continuing activity within the District's capital facility plans. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 10).

Debt - At June 30, 2006, the District had \$736,003,676 in General Obligation Bonds outstanding, \$23,519,809 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2006:

	<u>2006</u>	<u>2005</u>
Governmental Activities:		
General Obligation Bonds	\$736,003,676	\$721,838,146
Long-Term Notes Payable	0	29,600,000
Capital Leases	0	29,772
Compensated Absences	44,714,289	56,034,610
Employee Severance Plan	0	30,257,798
Totals	<u>\$780,717,965</u>	<u>\$837,760,326</u>

Under current state statutes, the District's debt issue is subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2006, the District's outstanding debt was below the legal limit. Detailed information regarding debt is included in the notes to the basic financial statements (Notes 12-13).

ECONOMIC FACTORS

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

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 416,390 at June 30, 2006. This 95.2% total employment rate compares slightly favorably with the State of Ohio total employment rate of 94.7% but trails the national rate of 95.4% at June 30, 2006. All of these factors were considered in preparing the District's budget for the 2006 fiscal year.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006***

Unaudited

Contacting the School District's Financial Management

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



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets
June 30, 2006

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$ 679,295,603
Investments	210,500
Receivables:	
Taxes	296,268,152
Accounts	1,070,108
Intergovernmental - State and Local	52,475,349
Intergovernmental - Federal	14,339,323
Interest	6,061,062
Inventory of Supplies at Cost	100,730
Inventory Held for Resale	242,592
Restricted Assets:	
Pooled Cash and Investments	7,744,662
Non-Depreciable Capital Assets	198,934,430
Depreciable Capital Assets, Net	146,610,817
Unamortized Bond Issuance Costs	6,314,328
Total Assets	1,409,667,656
Liabilities:	
Accounts Payable	30,866,612
Accrued Wages and Benefits	30,787,274
Intergovernmental Payable	504,543
Claims Payable	5,469,910
Unearned Revenue - Taxes	172,303,815
Accrued Interest Payable	3,651,636
Tax Anticipation Notes Payable	43,600,000
Long Term Liabilities:	
Due Within One Year	28,803,072
Due in More Than One Year	751,914,893
Total Liabilities	1,067,901,755
Net Assets:	
Invested in Capital Assets, Net of Related Debt	163,202,797
Restricted For:	
Capital Projects	47,111,594
Debt Service	22,755,122
Permanent Fund:	
Expendable	350,786
Nonexpendable	768,034
Other Purposes	16,034,254
Unrestricted	91,543,314
Total Net Assets	\$ 341,765,901

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Activities For the Fiscal Year Ended June 30, 2006

		Program Revenues			Net (Expense)
		Charges for	Operating Grants	Capital Grants	Revenue and
	Expenses	Services and	and	and	Changes in
		Sales	Contributions	Contributions	Net Assets
Governmental Activities:					Governmental
					Activities
Instruction:					
Instruction - Regular	\$ 223,297,113	\$ 3,837,562	\$ 27,527,012	\$ 0	\$ (191,932,539)
Instruction - Special	80,390,504	291,351	24,595,389	0	(55,503,764)
Instruction - Vocational	6,209,179	94,161	1,035,412	0	(5,079,606)
Instruction - Other	4,703,448	35,774	544,811	0	(4,122,863)
Support Services:					
Pupils	26,628,386	464,745	9,484,837	0	(16,678,804)
Instructional Staff	33,757,059	619,486	12,424,579	0	(20,712,994)
Board of Education	308,211	0	0	0	(308,211)
Administration	33,272,546	1,265,627	2,665,962	0	(29,340,957)
Fiscal Services	3,889,606	17,685	790,985	0	(3,080,936)
Business	1,372,454	0	0	0	(1,372,454)
Operation and Maintenance of Plant	41,446,421	25,584	726,779	243,573	(40,450,485)
Pupil Transportation	24,928,584	1,011	536,136	0	(24,391,437)
Central	14,031,779	124,139	4,812,698	0	(9,094,942)
Operation of Non-Instructional Services	26,527,842	3,361,377	22,951,960	0	(214,505)
Extracurricular Activities	5,080,509	713,347	0	0	(4,367,162)
Interest and Fiscal Charges	35,493,871	0	0	0	(35,493,871)
Total Governmental Activities	\$ 561,337,512	\$ 10,851,849	\$ 108,096,560	\$ 243,573	(442,145,530)
 General Revenues					
Property Taxes Levied for:					
General Purposes					315,532,788
Debt Service					34,823,550
Revenue in Lieu of Taxes					15,745,319
Grants and Entitlements not Restricted to Specific Programs					146,356,573
Investment Earnings					28,554,158
Miscellaneous					6,131,207
Total General Revenues					547,143,595
Change in Net Assets					104,998,065
Net Assets Beginning of Year, Restated					236,767,836
Net Assets End of Year					\$ 341,765,901

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Balance Sheet
Governmental Funds
June 30, 2006**

	General	Debt Service	Building Capital Projects	Classroom Facilities Capital Projects
Assets:				
Equity in Pooled Cash and Investments	\$ 89,368,264	\$ 4,827,762	\$ 299,803,537	\$ 252,389,491
Investments	0	0	0	0
Receivables:				
Taxes	262,619,215	33,648,937	0	0
Accounts	158,002	0	59,730	173,224
Intergovernmental - State and Local	0	0	0	52,448,349
Intergovernmental - Federal	0	0	0	0
Interest	567,206	0	0	5,493,856
Interfund Loans Receivable	226,322	0	0	0
Advances to Other Funds	2,142,471	0	2,759,739	0
Inventory of Supplies at Cost	0	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Pooled Cash and Investments	1,420,826	6,323,836	0	0
Total Assets	\$ 356,502,306	\$ 44,800,535	\$ 302,623,006	\$ 310,504,920
Liabilities:				
Accounts Payable	\$ 8,253,361	\$ 0	\$ 927,630	\$ 15,191,440
Accrued Wages and Benefits	23,742,948	0	0	0
Intergovernmental Payable	389,108	0	0	0
Claims Payable	1,162,917	0	0	0
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	1,730,336	0	0	0
Deferred Revenue - Taxes	188,290,493	23,239,054	0	0
Deferred Revenue	140,024	0	0	52,738,417
Compensated Absences Payable	112,492	0	0	0
Accrued Interest Payable	726,667	0	0	0
Tax Anticipation Notes Payable	43,600,000	0	0	0
Total Liabilities	268,148,346	23,239,054	927,630	67,929,857
Fund Balances:				
Reserved for Encumbrances	60,920	0	6,735,038	44,303,429
Reserved for Debt Service	0	11,151,598	0	0
Reserved for Property Taxes	74,328,722	10,409,883	0	0
Reserved for Budget Stabilization	1,420,826	0	0	0
Reserved for Endowments	0	0	0	0
Reserved for Advances	2,142,471	0	2,759,739	0
Unreserved, Undesignated in:				
General Fund	10,401,021	0	0	0
Special Revenue Funds	0	0	0	0
Capital Projects Funds	0	0	292,200,599	198,271,634
Permanent Fund	0	0	0	0
Total Fund Balances	88,353,960	21,561,481	301,695,376	242,575,063
Total Liabilities and Fund Balances	\$ 356,502,306	\$ 44,800,535	\$ 302,623,006	\$ 310,504,920

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 28,906,547	\$ 675,295,601
210,500	210,500
0	296,268,152
679,152	1,070,108
27,000	52,475,349
14,339,323	14,339,323
0	6,061,062
20,007	246,329
747,996	5,650,206
100,730	100,730
242,592	242,592
0	7,744,662
<u>\$ 45,273,847</u>	<u>\$ 1,059,704,614</u>
\$ 6,494,181	\$ 30,866,612
7,044,326	30,787,274
115,435	504,543
344,993	1,507,910
246,329	246,329
3,919,870	5,650,206
0	211,529,547
8,015,220	60,893,661
0	112,492
0	726,667
0	43,600,000
<u>26,180,354</u>	<u>386,425,241</u>
6,128,756	57,228,143
0	11,151,598
0	84,738,605
0	1,420,826
768,034	768,034
747,996	5,650,206
0	10,401,021
12,122,469	12,122,469
(1,071,227)	489,401,006
397,465	397,465
<u>19,093,493</u>	<u>673,279,373</u>
<u>\$ 45,273,847</u>	<u>\$ 1,059,704,614</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2006***

Total Governmental Fund Balances \$ 673,279,373

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 345,545,247

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

Accounts Receivable - accrual basis	300,376	
Taxes Receivable - accrual basis	39,225,732	
Interest Receivable - accrual basis	2,845,230	
Grants Receivable - accrual basis	<u>57,748,055</u>	
Total		100,119,393

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 38,002

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

Amounts Due Within One Year	(28,803,072)	
Amounts Due in More Than One Year	(751,914,893)	
Compensated Absences - accrued on fund basis	112,492	
Accrued Interest on Long-Term Debt	(2,924,969)	
Bond Issuance Costs	<u>6,314,328</u>	
Total		<u>(777,216,114)</u>

Net Assets of Governmental Funds \$ 341,765,901

See accompanying notes to the basic financial statements



CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2006

	General	Debt Service	Building Capital Projects	Classroom Facilities Capital Projects
Revenues:				
Taxes	\$ 290,297,782	\$ 31,882,226	\$ 0	\$ 0
Tuition	1,298,534	0	0	0
In Lieu of Taxes	5,760,051	9,983,600	0	0
Investment Earnings	4,922,138	189,334	9,126,742	12,023,835
Food Services	0	0	0	0
Intergovernmental - State	148,890,401	2,702,898	0	15,608,409
Intergovernmental - Federal	406,733	0	0	0
All Other Revenue	1,580,971	0	3,582,365	708,045
Total Revenue	453,156,610	44,758,058	12,709,107	28,340,289
Expenditures:				
Current:				
Instruction:				
Regular	188,029,154	0	0	0
Special	51,843,432	0	0	0
Vocational	4,649,069	0	0	0
Other	554,440	0	0	0
Supporting Services:				
Pupils	15,178,459	0	0	0
Instructional Staff	19,673,411	0	0	0
Board of Education	300,309	0	0	0
Administration	69,197,209	468,793	0	0
Fiscal Services	2,574,228	0	0	0
Business	1,163,177	0	54,723	0
Operation & Maintenance of Plant	39,214,617	0	452,225	0
Pupil Transportation	24,163,398	0	0	0
Central	8,869,066	0	74,764	0
Operation of Non-Instructional Services	3,317	0	0	0
Extracurricular Activities	4,221,672	0	0	0
Capital Outlay	2,327,118	0	17,218,913	89,307,955
Debt Service:				
Principal Retirement	0	15,370,000	0	0
Interest & Fiscal Charges	726,667	37,446,163	0	0
Total Expenditures	432,688,743	53,284,956	17,800,625	89,307,955
Excess (Deficiency) of Revenues Over Expenditures	20,467,867	(8,526,898)	(5,091,518)	(60,967,666)
Other Financing Sources (Uses):				
Issuance of General Obligation Bonds	0	0	0	0
Premium on Issuance of General Obligation Bonds	0	3,817,959	0	0
Issuance of Refunding Bonds	0	69,405,000	0	0
Premium on the Issuance of Refunding Bonds	0	7,482,626	0	0
Payment to Refunded Bond Escrow Agent	0	(76,115,246)	0	0
Transfers In	0	9,783,188	0	0
Transfers Out	(16,164,576)	0	0	0
Total Other Financing Sources (Uses)	(16,164,576)	14,373,527	0	0
Net Change in Fund Balance	4,303,291	5,846,629	(5,091,518)	(60,967,666)
Fund Balances at Beginning of Year	84,050,669	15,714,852	306,786,894	303,542,729
Fund Balances End of Year	\$ 88,353,960	\$ 21,561,481	\$ 301,695,376	\$ 242,575,063

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 322,180,008
1,176,228	2,474,762
0	15,743,651
236,345	26,498,394
2,509,797	2,509,797
38,113,886	205,315,594
68,288,400	68,695,133
9,204,080	15,075,461
119,528,736	658,492,800
28,774,118	216,803,272
26,269,558	78,112,990
1,234,145	5,883,214
638,045	1,192,485
10,699,019	25,877,478
13,752,096	33,425,507
0	300,309
3,787,590	73,453,592
1,173,581	3,747,809
101,091	1,318,991
823,059	40,489,901
547,503	24,710,901
5,477,656	14,421,486
24,579,740	24,583,057
730,363	4,952,035
602,522	109,456,508
29,600,000	44,970,000
737,943	38,910,773
149,528,029	742,610,308
(29,999,293)	(84,117,508)
26,800,000	26,800,000
0	3,817,959
0	69,405,000
0	7,482,626
0	(76,115,246)
6,381,388	16,164,576
0	(16,164,576)
33,181,388	31,390,339
3,182,095	(52,727,169)
15,911,398	726,006,542
\$ 19,093,493	\$ 673,279,373

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities For The Fiscal Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds \$ (52,727,169)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	100,703,280
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets net of proceeds received.	(7,771,813)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	11,159,469
The issuance of long-term debt (e.g. long-term notes, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	15,123,538
In the statement of activities, interest is accrued on outstanding bonds and long-term notes payable, whereas in governmental funds, an interest expenditure is reported when due.	1,902,797
Some expenses reported in the statement of activities, long-term compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	36,456,463
The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>151,500</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 104,998,065</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 254,690,725	\$ 255,532,326	\$ 279,364,060	\$ 23,831,734
Tuition	1,422,810	1,427,511	1,313,893	(113,618)
In Lieu of Taxes	6,235,843	6,256,449	5,758,487	(497,962)
Investment Earnings	3,742,221	3,754,587	3,455,753	(298,834)
Intergovernmental - State	161,357,547	161,890,738	149,005,570	(12,885,168)
Intergovernmental - Federal	440,450	441,905	406,733	(35,172)
All Other Revenues	<u>2,089,578</u>	<u>2,186,484</u>	<u>2,022,510</u>	<u>(163,974)</u>
Total Revenues	<u>429,979,174</u>	<u>431,490,000</u>	<u>441,327,006</u>	<u>9,837,006</u>
Expenditures:				
Current:				
Instruction:				
Regular	179,350,991	206,327,937	187,056,999	19,270,938
Special	51,154,633	58,806,236	53,318,530	5,487,706
Vocational	4,858,069	5,584,729	5,063,571	521,158
Other	486,691	559,489	507,278	52,211
Support Services:				
Pupils	15,181,326	17,452,117	15,823,513	1,628,604
Instructional Staff	20,260,541	23,291,070	21,117,584	2,173,486
Board of Education	303,108	348,446	315,930	32,516
Administration	31,198,818	35,865,472	32,518,563	3,346,909
Fiscal Services	2,643,959	3,039,437	2,755,801	283,636
Business	1,097,643	1,261,826	1,144,075	117,751
Operation and Maintenance of Plant	38,005,471	43,690,250	39,613,144	4,077,106
Pupil Transportation	23,026,200	26,470,411	24,000,234	2,470,177
Central	10,257,007	11,791,229	10,690,890	1,100,339
Operation of Non-Instructional Services	2,723	3,131	2,838	293
Extracurricular Activities	4,208,787	4,838,328	4,386,823	451,505
Capital Outlay	<u>2,490,955</u>	<u>2,863,548</u>	<u>2,596,326</u>	<u>267,222</u>
Total Expenditures	<u>384,526,922</u>	<u>442,193,656</u>	<u>400,912,099</u>	<u>41,281,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,452,252	(10,703,656)	40,414,907	51,118,563
Other Financing Sources (Uses):				
Proceeds from the Sale of Tax Anticipation Notes	43,600,000	43,600,000	43,600,000	0
Transfers In	0	0	34,658,482	34,658,482
Transfers Out	0	0	(61,792,992)	(61,792,992)
Advances In	0	0	7,816,261	7,816,261
Advances Out	0	0	(7,961,376)	(7,961,376)
Refund of Prior Year's Receipts	<u>(44,050,000)</u>	<u>(44,050,000)</u>	<u>(44,038,545)</u>	<u>11,455</u>
Total Other Financing Sources (Uses):	<u>(450,000)</u>	<u>(450,000)</u>	<u>(27,718,170)</u>	<u>(27,268,170)</u>
Net Change in Fund Balance	45,002,252	(11,153,656)	12,696,737	23,850,393
Fund Balance at Beginning of Year	55,264,973	55,264,973	55,264,973	0
Prior Year Encumbrances	<u>13,916,656</u>	<u>13,916,656</u>	<u>13,916,656</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 114,183,881</u>	<u>\$ 58,027,973</u>	<u>\$ 81,878,366</u>	<u>\$ 23,850,393</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Statement of Net Assets
Proprietary Fund
June 30, 2006***

	Governmental Activities - Internal Service Fund
Assets:	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 4,000,002
Total Assets	<u>4,000,002</u>
Liabilities:	
<i>Current Liabilities:</i>	
Claims Payable	<u>3,962,000</u>
Total Liabilities	<u>3,962,000</u>
Net Assets:	
Unrestricted	<u>38,002</u>
Total Net Assets	<u><u>\$ 38,002</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Interfund Charges	<u>\$ 38,094,110</u>
Total Operating Revenues	<u>38,094,110</u>
Operating Expenses:	
Claims	<u>37,942,610</u>
Total Operating Expenses	<u>37,942,610</u>
Change in Net Assets	151,500
Net Assets Beginning of Year	<u>(113,498)</u>
Net Assets End of Year	<u><u>\$ 38,002</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$38,094,110
Cash Payments for Claims	<u>(38,560,610)</u>
Net Cash Used by Operating Activities	<u>(466,500)</u>
Net Decrease in Cash and Cash Equivalents	(466,500)
Cash and Cash Equivalents at Beginning of Year	<u>4,466,502</u>
Cash and Cash Equivalents at End of Year	<u><u>\$4,000,002</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Income	\$151,500
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Claims Payable	<u>(618,000)</u>
Total Adjustments	<u>(618,000)</u>
Net Cash Used by Operating Activities	<u><u>(\$466,500)</u></u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets
Fiduciary Funds
June 30, 2006

	Private Purpose Trust <u>Special Trust</u> <u>Fund</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	\$ 739,079	\$ 51,364
Investments	<u>538,087</u>	<u>0</u>
Total Assets	<u>1,277,166</u>	<u>51,364</u>
Liabilities:		
Accounts Payable	1,928	0
Accrued Wages and Benefits	1,234	0
Intergovernmental Payable	20	0
Claims Payable	60	0
Due to Students	<u>0</u>	<u>51,364</u>
Total Liabilities	<u>3,242</u>	<u>51,364</u>
Net Assets:		
Unrestricted	<u>1,273,924</u>	<u>0</u>
Total Net Assets	<u>\$ 1,273,924</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Private Purpose Trust Special Trust Fund</u>
Additions:	
Contributions:	
Private Donations	\$ 44,620
Total Contributions	<u>44,620</u>
Investment Earnings:	
Interest	51,186
Net Increase in the Fair Value of Investments	<u>86,330</u>
Total Investment Earnings	<u>137,516</u>
Total Additions	<u>182,136</u>
Deductions:	
Administrative Expenses	1,689
Community Services	93,231
Extracurricular	<u>872</u>
Total Deductions	<u>95,792</u>
Change in Net Assets	86,344
Net Assets at Beginning of Year	<u>1,187,580</u>
Net Assets End of Year	<u>\$ 1,273,924</u>

See accompanying notes to the basic financial statements

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The District is the third largest in the State of Ohio and includes the cities of Cincinnati and Cheviot, and the villages of Amberley and Golf Manor, most of the city of Silverton, and part of each of the following: the city of Wyoming, the village of Fairfax and the townships of Anderson, Columbia, Delhi, Green and Springfield. The District's total area is approximately 90 square miles. As of June 30, 2006, the District employed 5,048 employees, including 3,027 certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators.

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

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

B. Basis of Presentation – Financial Statements

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Financial Statements (Continued)

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting

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

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

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

Debt Service Fund - The Debt Service fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

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

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting (Continued)

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

D. Basis of Accounting

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

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

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

Current property taxes measurable at June 30, 2006, and which are not intended to finance fiscal 2006 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2006 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2006.

3. Appropriations

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

4. Encumbrances

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

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

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	\$4,303,291
Increase (Decrease):	
Accrued Revenues at June 30, 2006, received during FY 2007	(74,898,468)
Accrued Revenues at June 30, 2005, received during FY 2006	63,040,923
Accrued Expenditures at June 30, 2006, paid during FY 2007	34,387,493
Accrued Expenditures at June 30, 2005, paid during FY 2006	(46,522,754)
Interfund Balances 2006	1,504,014
Interfund Balances 2005	(1,649,129)
Issuance of Tax Anticipation Note	43,600,000
Encumbrances Outstanding	(11,068,633)
Budget Basis	<u>\$12,696,737</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

The District has invested funds in the STAR Ohio during 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2006. See Note 5, "Cash, Cash Equivalents and Investments."

H. Inventory

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

I. Capital Assets and Depreciation

1. Property, Plant and Equipment - Governmental Activities

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

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

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

2. Depreciation

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

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

J. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Long-Term Notes Payable	Energy Conservation Fund
Capital Leases	General Fund
Tax Anticipation Notes	General Fund
Compensated Absences	General Fund, Food Services Fund

K. Compensated Absences

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include restricted state and federal grants.

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

M. Pensions

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

N. Interfund Activity

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

O. Restricted Assets

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Reservations of Fund Balance

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

Q. Estimates

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

R. Operating Revenues and Expenses

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

S. Revenue in Lieu of Taxes

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

NOTE 2 – PRIOR PERIOD ADJUSTMENT

The balances reported at June 30, 2005 in Governmental Activities (entity wide) was restated from balances previously reported due to an error in the recording of compensated absences payable. The table below reflect this change:

	Governmental Activities
Net Assets at June 30, 2005 (As Reported)	\$249,677,067
Long Term Liabilities:	
Due Within One Year	(1,301,251)
Due in More Than One Year	(11,607,980)
Restated Net Assets Balance at June 30, 2005	<u>\$236,767,836</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

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

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

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

Capital Asset Additions	105,166,960
Depreciation Expense	<u>(4,463,680)</u>
	\$100,703,280

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$28,176,330
Increase in Accounts Receivable	241,395
Increase in Interest Receivable	2,055,764
Decrease in Grants Receivable	<u>(19,314,020)</u>
	\$11,159,469

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

Bond Principal Payment	\$15,370,000
Long Term Note Payment	29,600,000
Capital Lease Payment	29,772
Capitalization of Bond Issuance Costs	1,514,105
Bond Issuance	(26,800,000)
Refunding Bond Issuance	(69,405,000)
Payment to Refunding Bond Escrow Agent	76,115,246
Capitalization of Bond premium	<u>(11,300,585)</u>
	\$15,123,538

Interest expense not reported in the funds:

Decrease in accrued interest on long term debt	\$554,351
Amortization of Bond Premium	2,858,183
Amortization of Deferred Loss on Defeasance	(1,003,374)
Amortization of Bond Issuance Costs	<u>(506,363)</u>
	\$1,902,797

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 4 – DEFICIT FUND EQUITIES

The fund deficits at June 30, 2006 of \$1,049,530 in the Food Services Fund, \$390,997 in the Auxiliary Services Fund, \$566,128 in the Head Start Fund, \$2,436,482 in the Disadvantaged Pupil Impact Aid Fund, \$425,003 in the Title VI-B Fund (special revenue funds) and of \$48,295 in the Ohio School Net Fund, \$1,485,543 in the School Building Assistance Fund and of \$60,380 in the Emergency School Repair Fund (capital projects funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting except for the Food Services Fund which has a budgetary/cash basis deficit of \$1,284,349. The General Fund provided an advance to cover the cash basis deficit in the Food Services Fund. The General Fund provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

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

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

A. Deposits

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

At year end the carrying amount of the District's deposits was \$78,974,762 and the bank balance was \$81,510,702. The Federal Deposit Insurance Corporation (FDIC) covered \$200,000 of the bank balance and \$81,310,702 was insured by collateralized securities held by the pledging institution's trust department in the District's name.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

B. Investments

The District's investments at June 30, 2006 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$1,800,460	AAAm ²	\$1,800,460	\$0
FHLB	139,859,139	Aaa ¹ , AAA ²	84,934,091	54,925,048
FHLMC	231,068,879	Aaa ¹ , AAA ²	214,294,637	16,774,242
FNMA	233,185,593	Aaa ¹ , AAA ²	210,454,655	22,730,938
FFCB	2,941,875	Aaa 1, AAA 2	2,941,875	0
Common Stock	748,587	N/A	0	0
Total Investments	<u>\$609,604,533</u>		<u>\$514,425,718</u>	<u>\$94,430,228</u>

¹ Moody's Investor Service

² Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, .30% are Star Ohio, 22.94% are FHLB, 37.91% are FHLMC, 38.25% are FNMA, .48% are FFCB and .12 % are common stock (all donated).

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	Pooled Cash and Investments *	Investments
Per Combined Balance Sheet	\$687,830,708	\$748,587
U.S. Government Securities	(607,055,486)	607,055,486
STAR Ohio	(1,800,460)	1,800,460
Per GASB Statement No. 3	<u>\$78,974,762</u>	<u>\$609,604,533</u>

* - Includes restricted pooled cash and investments

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2005, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 6 - PROPERTY TAXES (Continued)

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006 was \$74,328,722 in the general fund and \$10,409,883 in the debt service fund. The amount available as an advance at June 30, 2005, was \$63,395,000 in the general fund and \$7,900,000 in the debt service fund.

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accounts receivable, interest receivable and intergovernmental receivables.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2006:

Fund	Transfer In	Transfer Out
General Fund	\$0	(\$16,164,576)
Debt Service Fund	9,783,188	0
Other Governmental Funds	6,381,388	0
Total All Funds	<u>\$16,164,576</u>	<u>(\$16,164,576)</u>

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

All but \$3,000,000 in transfers from the General Fund was provided to assist the various funds with the payment of debt service and related expenditures. The remainder of the transfer from the General Fund to the Other Governmental Funds was provided to cover building maintenance costs on newly constructed facilities.

NOTE 9 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds at June 30, 2006 from one individual fund to another are as follows:

Fund	Receivables	Payables
General Fund	\$2,368,793	\$1,730,336
Building Capital Projects Fund	2,759,739	0
Other Governmental Funds	768,003	4,166,199
Total	<u>\$5,896,535</u>	<u>\$5,896,535</u>

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 10 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2006:

Historical Cost:

Class	June 30, 2005	Additions	Deletions	June 30, 2006
Capital assets not being depreciated:				
Land	\$ 31,670,721	\$2,198,187	\$0	\$33,868,908
Construction In Progress	135,158,971	101,724,695	(71,818,144)	165,065,522
Capital assets being depreciated:				
Land Improvements	10,052,419	78,608	(407,678)	9,723,349
Buildings and Improvements	181,783,790	72,660,514	(17,984,533)	236,459,771
Furniture, Fixtures, and Equipment	7,102,497	202,039	(2,580,368)	4,724,168
Vehicles	502,881	121,061	0	623,942
Total Cost	<u>\$ 366,271,279</u>	<u>\$ 176,985,104</u>	<u>(\$92,790,723)</u>	<u>\$ 450,465,660</u>
Accumulated Depreciation:				
Class	June 30, 2005	Additions	Deletions	June 30, 2006
Land Improvements	(\$6,939,159)	(\$254,951)	\$71,344	(\$7,122,766)
Buildings and Improvements	(102,583,490)	(3,718,937)	12,030,741	(94,271,686)
Furniture, Fixtures, and Equipment	(3,675,670)	(463,003)	1,098,681	(3,039,992)
Vehicles	(459,180)	(26,789)	0	(485,969)
Total Depreciation	<u>(\$113,657,499)</u>	<u>(\$4,463,680) *</u>	<u>\$13,200,766</u>	<u>(\$104,920,413)</u>
Net Value:	<u>\$252,613,780</u>			<u>\$345,545,247</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$1,820,503
Special	21,437
Vocational	317,594
Support Services:	
Pupils	171,649
Instructional Staff	36,341
Administration	6,239
Fiscal	42,639
Operation and Maintenance of Plant	207,149
Pupil Transportation	7,907
Central	279,011
Extracurricular Activities	12,814
Other Noninstructional Services	1,540,397
Total Depreciation Expense	<u>\$4,463,680</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

A. School Employees Retirement System of Ohio (SERS of Ohio)

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2005, (latest information available) 10.57% was allocated to fund the pension benefit and 3.43% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2006, 2005, and 2004 were \$8,303,614, \$8,809,066, and \$8,920,100, respectively, which were equal to the required contributions for each year.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 11- DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System of Ohio (SERS of Ohio)

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status. The portion of the 2005 employer contribution rate (latest information available) that was used to fund health care for the year 2005 was 3.43%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2006, the minimum pay has been established as \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. The amount contributed to fund health care benefits, including the surcharge amounted to \$3,142,277.

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ended June 30, 2005 were \$178,221,113. The target level for the health care reserve is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2005, the value of the health care fund was \$267.5 million, which is about 168% of next year's projected net health care costs of \$158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. The number of participants eligible to receive benefits is 58,123.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-4090 or by visiting the STRS Ohio Web site at www.strsoh.org.

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 11- DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2005, (latest information available) 13% was allocated to fund the pension benefit and 1% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2006, 2005, and 2004 were \$27,954,325, \$30,693,847, and \$29,202,323, respectively, which were equal to the required contributions for each year.

STRS provides postemployment health care benefits to retirees who participated in the DB or Combined Plans and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, health care benefits are not guaranteed.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2005, (latest information available) the board allocated employer contributions are equal to 1% of covered payroll to the Health Care Stabilization Fund, which amounted to \$1,996,737 for the District. The balance of the Health Care Stabilization Fund was \$3.3 billion at June 30, 2005. For the fiscal year ended June 30, 2005, the net health care costs paid by STRS were \$254,780,000. There were 115,395 eligible benefit recipients.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 12 – TAX ANTICIPATION NOTE PAYABLE

Note Payable activity of the District for the year ended June 30, 2006, was as follows:

Notes Payable		Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Tax Anticipation Note	5.00%	\$0	\$43,600,000	\$0	\$43,600,000
		\$0	\$43,600,000	\$0	\$43,600,000

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

NOTE 13- LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long-term debt of the District for the year ended June 30, 2006 is as follows:

		Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006	Amount Due Within One Year
Acquisition of Building	3.25-10%	\$1,050,000	\$0	(\$525,000)	\$525,000	\$525,000
(Original Issue Amount = \$10,500,000)						
School Improvement	3.25-5.375%	107,270,000	0	(74,745,000)	32,525,000	4,835,000
(Original Issue Amount = \$123,945,000)						
School Improvement	2.0-5.25%	111,860,000	0	(4,135,000)	107,725,000	4,535,000
(Original Issue Amount = \$120,000,000)						
School Improvement	0.970%	5,000,000	0	0	5,000,000	0
(Original Issue Amount = \$5,000,000)						
School Improvement	3.25-5.375%	478,310,000	0	(5,420,000)	472,890,000	6,900,000
(Original Issue Amount = \$480,000,000)						
Energy Conservation	2.97-5.0%	0	13,800,000	0	13,800,000	2,510,000
(Original Issue Amount = \$13,800,000)						
Computer Technology	2.97-5.0%	0	13,000,000	0	13,000,000	2,360,000
(Original Issue Amount = \$13,000,000)						
School Improvement Refunding	3.0-5.0%	0	69,405,000	(640,000)	68,765,000	0
(Original Issue Amount = \$69,405,000)						
Sub-Total General Obligation Bonds		703,490,000	96,205,000	(85,465,000)	714,230,000	21,665,000
Premium General Obligation Bond		18,348,146	11,300,585	(2,858,183)	26,790,548	2,858,183
Deferred Loss on Refunding		0	(6,020,246)	1,003,374	(5,016,872)	(1,003,374)
Total General Obligation Bonds		721,838,146	101,485,339	(87,319,809)	736,003,676	23,519,809
Long-term Notes	2.50%	29,600,000	0	(29,600,000)	0	0
Total Long-term Notes Payable		29,600,000	0	(29,600,000)	0	0
Capital Leases Payable		29,772	0	(29,772)	0	0
Compensated Absences		56,034,610	44,714,289	(56,034,610)	44,714,289	5,283,263
Employee Severance Plan		30,257,798	0	(30,257,798)	0	0
Total Governmental Long-Term Debt		\$837,760,326	\$146,199,628	(\$203,241,989)	\$780,717,965	\$28,803,072

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

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

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2006 follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2007	\$21,665,000	\$23,867,368	\$45,532,368
2008	22,160,000	23,385,189	45,545,189
2009	23,175,000	22,880,668	46,055,668
2010	25,495,000	22,114,739	47,609,739
2011	26,800,000	21,367,551	48,167,551
2012-2016	124,705,000	134,563,238	259,268,238
2017-2021	164,830,000	97,935,463	262,765,463
2022-2026	132,455,000	58,510,564	190,965,564
2027-2031	52,185,000	26,269,244	78,454,244
2032	120,760,000	810,875	121,570,875
Totals	<u>\$714,230,000</u>	<u>\$431,704,899</u>	<u>\$1,145,934,899</u>

B. Defeased Debt

In July 2005, the District refunded \$70,095,000 of General Obligation Bonds for School Improvement Series 2001, through the issuance of \$69,405,000 of General Obligation Bonds. The net proceeds of the 2005 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$70,095,000, at June 30, 2006, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding. The District reduced its aggregate debt service payments over the life of the refunded bonds by \$4,114,651 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$2,824,476.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 14 - OPERATING LEASE COMMITMENTS

The District is committed under various leases for furniture and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended June 30, 2006 amounted to \$1,587,607. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2007	\$266,827
2008	<u>238,893</u>
Total Lease Payments	<u><u>\$505,720</u></u>

NOTE 15 - RISK MANAGEMENT

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

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

For fiscal year 2006 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 2006 was \$935,807. The premium cost paid in fiscal year 2006 was \$1,921,170. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2006, the Ohio Bureau of Workers Compensation established a reserve of \$1,507,969 for future claim payments.

The District is self insured for employee health care. The District began accounting for the self-insurance in a separate Internal Service Fund in 2001. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on a rate of 12.39% of gross payroll. Incurred but not reported liabilities (IBNR's) are determined by the Actuarial Firm of Timothy P. Berghoff, FSA, MAAA. For the fiscal year ending June 30, 2006, the IBNR's were determined to be \$3,962,000.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 15 - RISK MANAGEMENT (Continued)

Changes in the fund's claims liability amount in 2006 and 2005 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2005	\$4,277,000	\$35,467,647	(\$35,164,647)	\$4,580,000
2006	4,580,000	37,942,610	(38,560,610)	3,962,000

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,801,220. Dental Care Plus does not require an employee payroll deduction.

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 Humana or by Dental Care Plus. Also, any expense related to optical service such as glasses or eye exams can be submitted for reimbursement from the employees benefit bank balance.

NOTE 16 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2006, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Acquisition Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-aside Cash Balance as of June 30, 2005	\$0	\$0	\$1,420,826	\$1,420,826
Current Year Set-Aside Requirement	5,764,406	5,764,406	0	11,528,812
Qualifying Disbursements	(8,387,769)	(18,601,482)	0	(26,989,251)
Total	<u>(\$2,623,363)</u>	<u>(\$12,837,076)</u>	<u>\$1,420,826</u>	<u>(\$14,039,613)</u>
Balance Carried Forward to FY 2007	<u>\$0</u>	<u>\$0</u>	<u>\$1,420,826</u>	<u>\$1,420,826</u>
Amount Designated for Budget Stabilization				<u>\$1,420,826</u>

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2006, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance. In the General Fund, the \$1,420,826 portion of the non-BWC (Bureau of Workers' Compensation) monies was designated for set-aside. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 17 - CONTRACTUAL COMMITMENTS

As of June 30, 2006, the District had entered into various construction contracts for renovations and improvements which it had a remaining unperformed and unpaid total commitment of approximately \$66.2 million.

NOTE 18 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2006.

B. Litigation

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

NOTE 19 – SUBSEQUENT EVENTS

On September 21, 2006, the District issued Classroom Facilities Construction and Improvement Refunding Bonds, Series 2006 for \$380,945,000. The bonds were issued for the purpose of advance refunding a portion of the School District's Classroom Facilities Construction and Improvement Bonds, 2003, previously issued to permanently finance the local share of the construction under the State of Ohio Classroom Facilities Assistance Program. The bonds mature in various amounts ranging from \$9,520,000 on December 1, 2006 to \$28,715,000 in 2031 and carry an interest rate of 4 to 5.25 percent.

On November 29, 2006, the District issued Certificates of Participation for \$120,365,000. The certificates were issued for the purpose of financing the acquisition, construction, improvement and installation of the Project Facilities to be used for classroom facilities of the School District and to refund the School District's School improvement Bonds, Series 2001 originally issued in the amount of \$123,945,000 and currently outstanding in the amount of \$32,525,000. The certificates mature in various amounts ranging from \$6,655,000 on December 15, 2010 to \$11,420,000 in 2032 and carry an interest rate of 4 to 5.00 percent.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Food Service Fund

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

Other Grants Fund

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

District Managed Student Activity Fund

Used to account for those student activity programs which have student participation in the activity, but do not have student management of the programs

Auxiliary Services Fund

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

Head Start Fund

Used to account for monies distributed to Head Start agencies to expand their programs to serve more eligible children.

Disadvantaged Pupil Impact Aid Fund

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

Title VI B – Special Education Assistance Fund

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

Title II A – Economic Opportunity Act Fund

Used to account for funds provided to political subdivisions on the local level, or through a community action agency, which is the endorsing agency for federal assistance to the community.

Chapter I – Education Consolidation and Improvement Act Fund

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

Other Special Revenue Fund

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

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Permanent Improvement Fund

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

Replacement Fund

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

Energy Conservation Fund

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

Power Up Fund

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

Interactive Video Distance Learning Fund

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

Ohio School Net Fund

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

School Building Assistance Fund

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

Emergency School Repair Fund

Used to account for funds provided for financial assistance to local education agencies (LES's) with urgent school repair and renovation needs.

Permanent Fund

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

Endowments Fund

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 26,891,790	\$ 1,054,420	\$ 960,337	\$ 28,906,547
Investments	5,338	0	205,162	210,500
Receivables:				
Accounts	642,172	36,980	0	679,152
Intergovernmental - State and Local	27,000	0	0	27,000
Intergovernmental - Federal	14,339,323	0	0	14,339,323
Interfund Loans Receivable	20,007	0	0	20,007
Advances to Other Funds	747,996	0	0	747,996
Inventory of Supplies at Cost	100,730	0	0	100,730
Inventory Held for Resale	242,592	0	0	242,592
Total Assets	\$ 43,016,948	\$ 1,091,400	\$ 1,165,499	\$ 45,273,847
Liabilities:				
Accounts Payable	\$ 6,484,990	\$ 9,191	\$ 0	\$ 6,494,181
Accrued Wages and Benefits	7,042,633	1,693	0	7,044,326
Intergovernmental Payable	115,407	28	0	115,435
Claims Payable	344,910	83	0	344,993
Interfund Loans Payable	246,329	0	0	246,329
Advances from Other Funds	2,325,652	1,594,218	0	3,919,870
Deferred Revenue	8,015,220	0	0	8,015,220
Total Liabilities	24,575,141	1,605,213	0	26,180,354
Fund Balances:				
Reserved for Encumbrances	5,571,342	557,414	0	6,128,756
Reserved for Endowments	0	0	768,034	768,034
Reserved for Advances	747,996	0	0	747,996
Unreserved, Undesignated in:				
Special Revenue Funds	12,122,469	0	0	12,122,469
Capital Projects Funds	0	(1,071,227)	0	(1,071,227)
Permanent Fund	0	0	397,465	397,465
Total Fund Balances	18,441,807	(513,813)	1,165,499	19,093,493
Total Liabilities and Fund Balances	\$ 43,016,948	\$ 1,091,400	\$ 1,165,499	\$ 45,273,847

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Tuition	\$ 1,176,228	\$ 0	\$ 0	\$ 1,176,228
Investment Earnings	169,666	0	66,679	236,345
Food Services	2,509,797	0	0	2,509,797
Intergovernmental - State	38,113,886	0	0	38,113,886
Intergovernmental - Federal	68,288,400	0	0	68,288,400
All Other Revenue	9,204,080	0	0	9,204,080
Total Revenue	119,462,057	0	66,679	119,528,736
Expenditures:				
Current:				
Instruction:				
Regular	28,754,118	0	20,000	28,774,118
Special	26,269,558	0	0	26,269,558
Vocational	1,234,145	0	0	1,234,145
Other	638,045	0	0	638,045
Supporting Services:				
Pupils	10,693,155	5,864	0	10,699,019
Instructional Staff	13,587,563	164,533	0	13,752,096
Administration	3,787,590	0	0	3,787,590
Fiscal Services	1,023,581	150,000	0	1,173,581
Business	101,091	0	0	101,091
Operation & Maintenance of Plant	823,059	0	0	823,059
Pupil Transportation	547,503	0	0	547,503
Central	5,477,656	0	0	5,477,656
Operation of Non-Instructional Services	24,579,740	0	0	24,579,740
Extracurricular Activities	730,363	0	0	730,363
Capital Outlay	277,783	324,739	0	602,522
Debt Service:				
Principal Retirement	0	29,600,000	0	29,600,000
Interest & Fiscal Charges	0	737,943	0	737,943
Total Expenditures	118,524,950	30,983,079	20,000	149,528,029
Excess (Deficiency) of Revenues Over Expenditures	937,107	(30,983,079)	46,679	(29,999,293)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	26,800,000	0	26,800,000
Transfers In	3,000,000	3,381,388	0	6,381,388
Total Other Financing Sources (Uses)	3,000,000	30,181,388	0	33,181,388
Net Change in Fund Balance	3,937,107	(801,691)	46,679	3,182,095
Fund Balances at Beginning of Year	14,504,700	287,878	1,118,820	15,911,398
Fund Balances End of Year	\$ 18,441,807	\$ (513,813)	\$ 1,165,499	\$ 19,093,493

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006**

	<u>Food Service</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>
Assets:				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,509,564	\$ 1,913,000	\$ 205,657
Investments	0	0	5,338	0
Receivables:				
Accounts	210	445,893	266	88
Intergovernmental - State and Local	0	0	0	0
Intergovernmental - Federal	1,120,631	0	0	0
Interfund Loans Receivable	0	0	514	0
Advances to Other Funds	1	6,498	0	0
Inventory of Supplies at Cost	100,730	0	0	0
Inventory Held for Resale	242,592	0	0	0
Total Assets	<u>\$ 1,464,164</u>	<u>\$ 2,961,955</u>	<u>\$ 1,919,118</u>	<u>\$ 205,745</u>
Liabilities:				
Accounts Payable	\$ 239,206	\$ 91,688	\$ 198,987	\$ 127,542
Accrued Wages and Benefits	701,679	203,411	2,154	440,411
Intergovernmental Payable	11,500	3,334	35	7,218
Claims Payable	34,368	9,963	106	21,571
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	1,284,349	0	0	0
Deferred Revenue	242,592	36,466	12	0
Total Liabilities	<u>2,513,694</u>	<u>344,862</u>	<u>201,294</u>	<u>596,742</u>
Fund Balances:				
Reserved for Encumbrances	147,273	156,011	0	168,450
Reserved for Advances	1	6,498	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	<u>(1,196,804)</u>	<u>2,454,584</u>	<u>1,717,824</u>	<u>(559,447)</u>
Total Fund Balances (Deficit)	<u>(1,049,530)</u>	<u>2,617,093</u>	<u>1,717,824</u>	<u>(390,997)</u>
Total Liabilities and Fund Balances	<u>\$ 1,464,164</u>	<u>\$ 2,961,955</u>	<u>\$ 1,919,118</u>	<u>\$ 205,745</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Head Start</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Title VI-B</u>	<u>Title II-A</u>	<u>Chapter I</u>	<u>Other Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 3,418,774	\$ 483,328	\$ 1,413,749	\$ 16,947,718	\$ 26,891,790
0	0	0	0	0	0	5,338
0	0	150	149,888	2,765	42,912	642,172
0	0	0	0	0	27,000	27,000
0	0	2,367,056	782,860	7,475,362	2,593,414	14,339,323
0	0	0	0	0	19,493	20,007
0	0	218,838	0	434,748	87,911	747,996
0	0	0	0	0	0	100,730
0	0	0	0	0	0	242,592
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,004,818</u>	<u>\$ 1,416,076</u>	<u>\$ 9,326,624</u>	<u>\$ 19,718,448</u>	<u>\$ 43,016,948</u>
\$ 0	\$ 0	\$ 3,198,407	\$ 41,950	\$ 1,005,654	\$ 1,581,556	\$ 6,484,990
748	2,286,986	811,323	167,223	1,441,159	987,539	7,042,633
0	37,480	13,296	2,741	23,618	16,185	115,407
0	112,016	39,739	8,190	70,587	48,370	344,910
648	0	0	0	0	245,681	246,329
564,732	0	0	79,862	0	396,709	2,325,652
0	0	2,367,056	632,972	3,307,979	1,428,143	8,015,220
<u>566,128</u>	<u>2,436,482</u>	<u>6,429,821</u>	<u>932,938</u>	<u>5,848,997</u>	<u>4,704,183</u>	<u>24,575,141</u>
206	0	2,128,025	14,153	2,258,304	698,920	5,571,342
0	0	218,838	0	434,748	87,911	747,996
<u>(566,334)</u>	<u>(2,436,482)</u>	<u>(2,771,866)</u>	<u>468,985</u>	<u>784,575</u>	<u>14,227,434</u>	<u>12,122,469</u>
<u>(566,128)</u>	<u>(2,436,482)</u>	<u>(425,003)</u>	<u>483,138</u>	<u>3,477,627</u>	<u>15,014,265</u>	<u>18,441,807</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,004,818</u>	<u>\$ 1,416,076</u>	<u>\$ 9,326,624</u>	<u>\$ 19,718,448</u>	<u>\$ 43,016,948</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006**

	<u>Food Service</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>
Revenues:				
Tuition	\$ 0	\$ 582,085	\$ 0	\$ 0
Investment Earnings	0	907	69,066	99,693
Food Services	2,509,797	0	0	0
Intergovernmental - State	492,424	19,925	0	9,366,502
Intergovernmental - Federal	10,650,425	0	0	0
All Other Revenue	75,350	3,361,134	1,760,802	0
Total Revenue	<u>13,727,996</u>	<u>3,964,051</u>	<u>1,829,868</u>	<u>9,466,195</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	1,293,716	963,038	0
Special	0	67,543	21,105	0
Vocational	0	55,974	0	0
Other	0	18,118	0	0
Supporting Services:				
Pupils	0	330,871	5,199	0
Instructional Staff	0	347,417	82,125	0
Administration	0	1,034,367	0	0
Fiscal Services	0	10,392	0	183,539
Business	0	0	0	101,091
Operation & Maintenance of Plant	0	0	648	0
Pupil Transportation	0	296	0	0
Central	0	2,167	0	0
Operation of Non-Instructional Services	13,466,692	114,057	518	8,503,839
Extracurricular Activities	0	110	730,253	0
Capital Outlay	0	627	0	0
Total Expenditures	<u>13,466,692</u>	<u>3,275,655</u>	<u>1,802,886</u>	<u>8,788,469</u>
Excess (Deficiency) of Revenues Over Expenditures	261,304	688,396	26,982	677,726
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	261,304	688,396	26,982	677,726
Fund Balances (Deficit) at Beginning of Year	<u>(1,310,834)</u>	<u>1,928,697</u>	<u>1,690,842</u>	<u>(1,068,723)</u>
Fund Balances (Deficit) End of Year	<u>\$ (1,049,530)</u>	<u>\$ 2,617,093</u>	<u>\$ 1,717,824</u>	<u>\$ (390,997)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Head Start</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Title VI-B</u>	<u>Title II-A</u>	<u>Chapter I</u>	<u>Other Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 594,143	\$ 1,176,228
0	0	0	0	0	0	169,666
0	0	0	0	0	0	2,509,797
0	25,093,131	0	0	0	3,141,904	38,113,886
0	0	13,776,838	2,118,116	23,964,734	17,778,287	68,288,400
0	0	0	0	0	4,006,794	9,204,080
<u>0</u>	<u>25,093,131</u>	<u>13,776,838</u>	<u>2,118,116</u>	<u>23,964,734</u>	<u>25,521,128</u>	<u>119,462,057</u>
0	24,221,169	1,614	1,044,934	57,505	1,172,142	28,754,118
0	0	4,199,006	0	13,482,158	8,499,746	26,269,558
0	0	0	0	0	1,178,171	1,234,145
0	0	0	0	0	619,927	638,045
0	0	7,466,701	292,965	0	2,597,419	10,693,155
0	0	1,168,929	342,488	6,368,383	5,278,221	13,587,563
0	0	1,076,478	238,589	1,038,850	399,306	3,787,590
0	0	194,048	38,103	369,620	227,879	1,023,581
0	0	0	0	0	0	101,091
0	0	0	9,828	0	812,583	823,059
0	0	1,757	298	515,790	29,362	547,503
0	0	0	1,646	0	5,473,843	5,477,656
0	0	978,257	0	1,315,954	200,423	24,579,740
0	0	0	0	0	0	730,363
0	0	0	0	0	277,156	277,783
<u>0</u>	<u>24,221,169</u>	<u>15,086,790</u>	<u>1,968,851</u>	<u>23,148,260</u>	<u>26,766,178</u>	<u>118,524,950</u>
0	871,962	(1,309,952)	149,265	816,474	(1,245,050)	937,107
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
0	871,962	(1,309,952)	149,265	816,474	1,754,950	3,937,107
(566,128)	(3,308,444)	884,949	333,873	2,661,153	13,259,315	14,504,700
<u>\$ (566,128)</u>	<u>\$ (2,436,482)</u>	<u>\$ (425,003)</u>	<u>\$ 483,138</u>	<u>\$ 3,477,627</u>	<u>\$ 15,014,265</u>	<u>\$ 18,441,807</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006**

	Permanent Improvement	Replacement	Energy Conservation	Power Up
Assets:				
Equity in Pooled Cash and Investments	\$ 198,705	\$ 1,177	\$ 775,722	\$ 64,415
Receivables:				
Accounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$ 198,705</u></u>	<u><u>\$ 1,177</u></u>	<u><u>\$ 775,722</u></u>	<u><u>\$ 64,415</u></u>
Liabilities:				
Accounts Payable	\$ 9,191	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	1,693	0	0	0
Intergovernmental Payable	28	0	0	0
Claims Payable	83	0	0	0
Advances from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>10,995</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	524,769	0
Unreserved, Undesignated in:				
Capital Projects Funds (Deficit)	<u>187,710</u>	<u>1,177</u>	<u>250,953</u>	<u>64,415</u>
Total Fund Balances	<u>187,710</u>	<u>1,177</u>	<u>775,722</u>	<u>64,415</u>
Total Liabilities and Fund Balances	<u><u>\$ 198,705</u></u>	<u><u>\$ 1,177</u></u>	<u><u>\$ 775,722</u></u>	<u><u>\$ 64,415</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Interactive Video Distance Learning</u>	<u>Ohio School Net</u>	<u>School Building Assistance</u>	<u>Emergency School Repair</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 14,401	\$ 0	\$ 0	\$ 0	\$ 1,054,420
<u>36,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,980</u>
<u>\$ 51,381</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,091,400</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,191
0	0	0	0	1,693
0	0	0	0	28
0	0	0	0	83
<u>0</u>	<u>48,295</u>	<u>1,485,543</u>	<u>60,380</u>	<u>1,594,218</u>
<u>0</u>	<u>48,295</u>	<u>1,485,543</u>	<u>60,380</u>	<u>1,605,213</u>
0	32,645	0	0	557,414
<u>51,381</u>	<u>(80,940)</u>	<u>(1,485,543)</u>	<u>(60,380)</u>	<u>(1,071,227)</u>
<u>51,381</u>	<u>(48,295)</u>	<u>(1,485,543)</u>	<u>(60,380)</u>	<u>(513,813)</u>
<u>\$ 51,381</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,091,400</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Permanent Improvement</u>	<u>Replacement</u>	<u>Energy Conservation</u>	<u>Power Up</u>
Revenues:				
Total Revenue	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Current:				
Supporting Services:				
Pupils	5,864	0	0	0
Instructional Staff	0	0	0	0
Fiscal Services	150,000	0	0	0
Capital Outlay	278,597	0	46,142	0
Debt Service:				
Principal Retirement	13,000,000	0	16,600,000	0
Interest & Fiscal Charges	324,097	0	413,846	0
Total Expenditures	<u>13,758,558</u>	<u>0</u>	<u>17,059,988</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,758,558)	0	(17,059,988)	0
Other Financing Sources (Uses):				
General Obligation Bonds Issued	13,000,000	0	13,800,000	0
Transfers In	255,679	0	3,125,709	0
Total Other Financing Sources (Uses)	<u>13,255,679</u>	<u>0</u>	<u>16,925,709</u>	<u>0</u>
Net Change in Fund Balance	(502,879)	0	(134,279)	0
Fund Balances (Deficit) at Beginning of Year	<u>690,589</u>	<u>1,177</u>	<u>910,001</u>	<u>64,415</u>
Fund Balances (Deficit) End of Year	<u>\$ 187,710</u>	<u>\$ 1,177</u>	<u>\$ 775,722</u>	<u>\$ 64,415</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Interactive Video Distance Learning</u>	<u>Ohio School Net</u>	<u>School Building Assistance</u>	<u>Emergency School Repair</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	5,864
0	164,533	0	0	164,533
0	0	0	0	150,000
0	0	0	0	324,739
0	0	0	0	29,600,000
0	0	0	0	737,943
<u>0</u>	<u>164,533</u>	<u>0</u>	<u>0</u>	<u>30,983,079</u>
0	(164,533)	0	0	(30,983,079)
0	0	0	0	26,800,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,381,388</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,181,388</u>
0	(164,533)	0	0	(801,691)
<u>51,381</u>	<u>116,238</u>	<u>(1,485,543)</u>	<u>(60,380)</u>	<u>287,878</u>
<u>\$ 51,381</u>	<u>\$ (48,295)</u>	<u>\$ (1,485,543)</u>	<u>\$ (60,380)</u>	<u>\$ (513,813)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – General Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 473,579,174	\$ 475,090,000	\$ 527,401,749	\$ 52,311,749
Total Expenditures and Other Financing Uses	428,576,922	486,243,656	514,705,012	(28,461,356)
Net Change in Fund Balance	45,002,252	(11,153,656)	12,696,737	23,850,393
Fund Balances, Beginning of Year	55,264,973	55,264,973	55,264,973	0
Prior Year Encumbrances	13,916,656	13,916,656	13,916,656	0
Fund Balances, End of Year	<u>\$ 114,183,881</u>	<u>\$ 58,027,973</u>	<u>\$ 81,878,366</u>	<u>\$ 23,850,393</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 46,600,000	\$ 55,107,597	\$ 8,507,597
Total Expenditures and Other Financing Uses	54,000,000	51,770,277	2,229,723
Net Change in Fund Balance	(7,400,000)	3,337,320	10,737,320
Fund Balances, Beginning of Year	7,814,278	7,814,278	0
Fund Balances, End of Year	<u>\$ 414,278</u>	<u>\$ 11,151,598</u>	<u>\$ 10,737,320</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Capital Projects Fund
For the Fiscal Year Ended June 30, 2006***

	BUILDING FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	<u>\$ 8,000,000</u>	<u>\$ 12,709,257</u>	<u>\$ 4,709,257</u>
Total Expenditures and Other Financing Uses	<u>44,105,135</u>	<u>25,336,934</u>	<u>18,768,201</u>
Net Change in Fund Balance	(36,105,135)	(12,627,677)	23,477,458
Fund Balances, Beginning of Year	290,663,411	290,663,411	0
Prior Year Encumbrances	<u>14,105,135</u>	<u>14,105,135</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 268,663,411</u>	<u>\$ 292,140,869</u>	<u>\$ 23,477,458</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Capital Projects Fund
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 20,000,000	\$ 23,308,594	\$ 3,308,594
Total Expenditures and Other Financing Uses	<u>72,352,315</u>	<u>144,885,267</u>	<u>(72,532,952)</u>
Net Change in Fund Balance	(52,352,315)	(121,576,673)	(69,224,358)
Fund Balances, Beginning of Year	251,228,659	251,228,659	0
Prior Year Encumbrances	<u>61,352,315</u>	<u>61,352,315</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 260,228,659</u>	<u>\$ 191,004,301</u>	<u>\$ (69,224,358)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 14,285,000	\$ 13,239,067	\$ (1,045,933)
Total Expenditures and Other Financing Uses	<u>12,770,279</u>	<u>13,399,832</u>	<u>(629,553)</u>
Net Change in Fund Balance	1,514,721	(160,765)	(1,675,486)
Fund Balances, Beginning of Year	(1,530,342)	(1,530,342)	0
Prior Year Encumbrances	<u>20,279</u>	<u>20,279</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 4,658</u>	<u>\$ (1,670,828)</u>	<u>\$ (1,675,486)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	OTHER GRANTS FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,600,000</u>	<u>\$ 4,127,263</u>	<u>\$ 527,263</u>
Total Expenditures and Other Financing Uses	<u>5,174,777</u>	<u>3,896,229</u>	<u>1,278,548</u>
Net Change in Fund Balance	(1,574,777)	231,034	1,805,811
Fund Balances, Beginning of Year	1,856,054	1,856,054	0
Prior Year Encumbrances	<u>174,777</u>	<u>174,777</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 456,054</u></u>	<u><u>\$ 2,261,865</u></u>	<u><u>\$ 1,805,811</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,750,000	\$ 1,830,278	\$ 80,278
Total Expenditures and Other Financing Uses	<u>3,537,053</u>	<u>1,826,602</u>	<u>1,710,451</u>
Net Change in Fund Balance	(1,787,053)	3,676	1,790,729
Fund Balances, Beginning of Year	1,665,934	1,665,934	0
Prior Year Encumbrances	<u>137,053</u>	<u>137,053</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 15,934</u>	<u>\$ 1,806,663</u>	<u>\$ 1,790,729</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	AUXILIARY FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 9,625,000	\$ 11,336,539	\$ 1,711,539
Total Expenditures and Other Financing Uses	<u>9,641,065</u>	<u>11,443,009</u>	<u>(1,801,944)</u>
Net Change in Fund Balance	(16,065)	(106,470)	(90,405)
Fund Balances, Beginning of Year	(866,530)	(866,530)	0
Prior Year Encumbrances	<u>882,665</u>	<u>882,665</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 70</u>	<u>\$ (90,335)</u>	<u>\$ (90,405)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	HEAD START FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>30,000</u>	<u>206</u>	<u>29,794</u>
Net Change in Fund Balance	(30,000)	(206)	29,794
Fund Balances, Beginning of Year	<u>(564,732)</u>	<u>(564,732)</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ (594,732)</u></u>	<u><u>\$ (564,938)</u></u>	<u><u>\$ 29,794</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 30,368,526	\$ 25,093,131	\$ (5,275,395)
Total Expenditures and Other Financing Uses	<u>30,368,529</u>	<u>25,093,131</u>	<u>5,275,398</u>
Net Change in Fund Balance	(3)	0	3
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ (3)</u>	<u>\$ 0</u>	<u>\$ 3</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	TITLE VI-B FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	<u>\$ 14,350,000</u>	<u>\$ 14,501,329</u>	<u>\$ 151,329</u>
Total Expenditures and Other Financing Uses	<u>16,072,508</u>	<u>18,461,601</u>	<u>(2,389,093)</u>
Net Change in Fund Balance	(1,722,508)	(3,960,272)	(2,237,764)
Fund Balances, Beginning of Year	480,106	480,106	0
Prior Year Encumbrances	<u>1,572,508</u>	<u>1,572,508</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 330,106</u>	<u>\$ (1,907,658)</u>	<u>\$ (2,237,764)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	TITLE II-A FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	<u>\$ 2,050,000</u>	<u>\$ 2,291,416</u>	<u>\$ 241,416</u>
Total Expenditures and Other Financing Uses	<u>2,503,734</u>	<u>2,329,232</u>	<u>174,502</u>
Net Change in Fund Balance	(453,734)	(37,816)	415,918
Fund Balances, Beginning of Year	461,307	461,307	0
Prior Year Encumbrances	<u>3,734</u>	<u>3,734</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 11,307</u></u>	<u><u>\$ 427,225</u></u>	<u><u>\$ 415,918</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	CHAPTER I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 25,320,000	\$ 25,720,993	\$ 400,993
Total Expenditures and Other Financing Uses	26,144,402	28,994,271	(2,849,869)
Net Change in Fund Balance	(824,402)	(3,273,278)	(2,448,876)
Fund Balances, Beginning of Year	(1,213,052)	(1,213,052)	0
Prior Year Encumbrances	2,144,402	2,144,402	0
Fund Balances, End of Year	<u>\$ 106,948</u>	<u>\$ (2,341,928)</u>	<u>\$ (2,448,876)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 31,462,175	\$ 38,418,975	\$ 6,956,800
Total Expenditures and Other Financing Uses	31,414,269	37,639,467	(6,225,198)
Net Change in Fund Balance	47,906	779,508	731,602
Fund Balances, Beginning of Year	10,148,797	10,148,797	0
Prior Year Encumbrances	3,455,069	3,455,069	0
Fund Balances, End of Year	<u>\$ 13,651,772</u>	<u>\$ 14,383,374</u>	<u>\$ 731,602</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 13,255,670	\$ 13,255,679	\$ 9
Total Expenditures and Other Financing Uses	14,007,565	13,844,912	162,653
Net Change in Fund Balance	(751,895)	(589,233)	162,662
Fund Balances, Beginning of Year	580,373	580,373	0
Prior Year Encumbrances	207,565	207,565	0
Fund Balances, End of Year	<u>\$ 36,043</u>	<u>\$ 198,705</u>	<u>\$ 162,662</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	1,000	0	1,000
Net Change in Fund Balance	(1,000)	0	1,000
Fund Balances, Beginning of Year	1,177	1,177	0
Fund Balances, End of Year	<u>\$ 177</u>	<u>\$ 1,177</u>	<u>\$ 1,000</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 16,915,700	\$ 16,925,709	\$ 10,009
Total Expenditures and Other Financing Uses	17,765,910	17,584,757	181,153
Net Change in Fund Balance	(850,210)	(659,048)	191,162
Fund Balances, Beginning of Year	394,091	394,091	0
Prior Year Encumbrances	515,910	515,910	0
Fund Balances, End of Year	<u>\$ 59,791</u>	<u>\$ 250,953</u>	<u>\$ 191,162</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	POWER UP FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>60,000</u>	<u>0</u>	<u>60,000</u>
Net Change in Fund Balance	(60,000)	0	60,000
Fund Balances, Beginning of Year	<u>64,415</u>	<u>64,415</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 4,415</u></u>	<u><u>\$ 64,415</u></u>	<u><u>\$ 60,000</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

INTERACTIVE VIDEO DISTANCE LEARNING FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	14,400	0	14,400
Net Change in Fund Balance	(14,400)	0	14,400
Fund Balances, Beginning of Year	8,401	8,401	0
Prior Year Encumbrances	6,000	6,000	0
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ 14,401</u>	<u>\$ 14,400</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	151,196	239,402	(88,206)
Net Change in Fund Balance	(151,196)	(239,402)	(88,206)
Fund Balances, Beginning of Year	147,266	147,266	0
Prior Year Encumbrances	11,196	11,196	0
Fund Balances, End of Year	<u>\$ 7,266</u>	<u>\$ (80,940)</u>	<u>\$ (88,206)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006***

	EMERGENCY SCHOOL REPAIR FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>32,641</u>	<u>0</u>	<u>32,641</u>
Net Change in Fund Balance	(32,641)	0	32,641
Fund Balances, Beginning of Year	(32,641)	(32,641)	0
Prior Year Encumbrances	<u>32,641</u>	<u>32,641</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ (32,641)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 32,641</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2006***

	<i>PERMANENT FUND</i>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 20,000	\$ 48,981	\$ 28,981
Total Expenditures and Other Financing Uses	250,151	20,000	230,151
Net Change in Fund Balance	(230,151)	28,981	259,132
Fund Balances, Beginning of Year	965,287	965,287	0
Prior Year Encumbrances	151	151	0
Fund Balances, End of Year	<u>\$ 735,287</u>	<u>\$ 994,419</u>	<u>\$ 259,132</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Fiduciary Funds

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

Agency Fund

Student Managed Activity Fund

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2006***

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<u>Student Managed Activity Fund</u>				
Assets:				
Equity in Pooled Cash and Investments	\$54,098	\$53,108	(\$55,842)	\$51,364
Total Assets	<u>\$54,098</u>	<u>\$53,108</u>	<u>(\$55,842)</u>	<u>\$51,364</u>
Liabilities:				
Due to Students	\$54,098	\$53,108	(\$55,842)	\$51,364
Total Liabilities	<u>\$54,098</u>	<u>\$53,108</u>	<u>(\$55,842)</u>	<u>\$51,364</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2006***

Capital Assets

Land	\$33,868,908
Construction in Progress	165,065,522
Land Improvements	9,723,349
Buildings and Improvements	236,459,771
Furniture, Fixtures and Equipment	4,724,168
Vehicles	<u>623,942</u>
Total Capital Assets	<u><u>\$450,465,660</u></u>

Investment in Capital Assets from:

Acquisitions Prior to 1999	\$138,928,805
General Fund	10,883,823
Special Revenue Funds	775,222
Special Revenue Funds - Food Service	598,692
Capital Project Funds	290,638,586
Donations	<u>8,640,532</u>
Total Investment in Capital Assets	<u><u>\$450,465,660</u></u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2006***

Function and Activity	Land	Construction in Progress	Land Improvements
Instructional Services			
Regular	\$11,001,378	\$0	\$6,535,300
Special	0	0	0
Vocational	75,100	0	0
Support Services:			
Pupils	0	0	26,374
Instructional Staff	0	0	0
Administration	0	0	0
Fiscal Services	0	0	0
Operation and Maintenance of Plant	0	0	468,837
Pupil Transportation	0	0	0
Central	561,000	0	123,000
Extracurricular Activities	0	0	172,800
Other Noninstructional Services	0	0	0
Facility Services	0	0	2,363,524
Site Acquisition	9,222,040	0	0
Architecture and Engineering	0	13,353,061	0
Building Acquisition and Construction	13,009,390	151,712,461	0
Building Improvement	0	0	33,514
Total Capital Assets	<u>\$33,868,908</u>	<u>\$165,065,522</u>	<u>\$9,723,349</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Buildings and Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$112,364,573	\$1,338,700	\$29,353	\$131,269,304
0	163,560	0	163,560
13,153,592	318,467	0	13,547,159
0	1,279,452	0	1,305,826
0	254,387	0	254,387
0	80,544	0	80,544
0	298,473	0	298,473
5,109,224	78,112	25,972	5,682,145
0	55,348	0	55,348
6,854,000	843,848	0	8,381,848
325,200	0	0	498,000
224,551	13,277	374,142	611,970
8,047,410	0	194,475	10,605,409
0	0	0	9,222,040
1,839,714	0	0	15,192,775
87,582,648	0	0	252,304,499
958,859	0	0	992,373
<u>\$236,459,771</u>	<u>\$4,724,168</u>	<u>\$623,942</u>	<u>\$450,465,660</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
June 30, 2006***

Function and Activity	June 30, 2005	Additions	Deletions	June 30, 2006
Instructional Services				
Regular	\$146,637,214	\$0	(\$15,367,910)	\$131,269,304
Special	226,474	5,245	(68,159)	163,560
Vocational	13,471,544	196,795	(121,180)	13,547,159
Support Services:				
Pupils	1,336,114	0	(30,288)	1,305,826
Instructional Staff	411,971	0	(157,584)	254,387
Administration	80,544	0	0	80,544
Fiscal Services	298,473	0	0	298,473
Operation and Maintenance of Plant	4,839,775	842,370	0	5,682,145
Pupil Transportation	55,348	0	0	55,348
Central	8,742,786	0	(360,938)	8,381,848
Extracurricular Activities	498,000	0	0	498,000
Other Noninstructional Services	1,055,172	0	(443,202)	611,970
Facility Services	12,710,008	199,669	(2,304,268)	10,605,409
Site Acquisition	7,023,853	2,198,187	0	9,222,040
Architecture and Engineering	13,820,072	1,518,163	(145,460)	15,192,775
Building Acquisition and Construction	153,361,586	172,024,675	(73,081,762)	252,304,499
Building Improvement	1,702,345	0	(709,972)	992,373
Total Capital Assets	<u>\$366,271,279</u>	<u>\$176,985,104</u>	<u>(\$92,790,723)</u>	<u>\$450,465,660</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax and the sales tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 49
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Cincinnati Public School District

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$50,918,941	\$24,393,680	\$62,736,106
Restricted for:			
Capital Projects	967,504	33,583,348	32,373,514
Debt Service	5,588,399	5,212,708	13,610,918
Permanent Funds:			
Expendable	317,754	317,754	354,528
Nonexpendable	768,034	768,034	768,034
Other Purposes	22,883,658	20,983,634	17,532,180
Unrestricted	<u>101,101,358</u>	<u>115,284,752</u>	<u>84,335,436</u>
Total Governmental Activities Net Assets	<u>\$182,545,648</u>	<u>\$200,543,910</u>	<u>\$211,710,716</u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2002.

Cincinnati Public School District

<u>2005</u>	<u>2006</u>
\$123,801,968	\$163,202,797
59,677,761	47,111,594
13,412,818	22,755,122
350,786	350,786
768,034	768,034
20,193,869	16,034,254
31,471,831	91,543,314
<u>\$249,677,067</u>	<u>\$341,765,901</u>

Cincinnati Public School District

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

	2002	2003	2004
Expenses			
Governmental Activities			
Instruction			
Regular	\$214,853,229	\$220,453,877	\$233,043,337
Special	56,276,047	63,132,571	68,179,784
Vocational	10,405,177	6,534,496	7,254,606
Other	2,083,093	1,703,846	1,600,216
Support Services			
Pupils	21,749,313	22,810,661	29,128,330
Instructional Staff	24,600,912	24,920,010	33,996,376
Board of Education	243,629	432,025	330,013
Administration	33,394,787	34,103,376	37,435,189
Fiscal Services	5,373,728	5,874,202	4,796,236
Business	370,426	883,799	1,117,893
Operation and Maintenance of Plant	33,420,048	40,064,743	49,649,606
Pupil Transportation	23,572,004	22,336,585	24,686,563
Central	10,478,315	19,173,042	31,066,121
Non-Instructional Services	26,663,407	29,078,066	29,907,760
Extracurricular Activities	4,635,728	5,425,048	5,581,501
Interest and Fiscal Charges	7,300,332	10,194,674	29,215,795
<i>Total Primary Government Expenses</i>	<u>\$475,420,175</u>	<u>\$507,121,021</u>	<u>\$586,989,326</u>
Program Revenues			
Governmental Activities			
Charges for Services			
Instruction	\$2,601,764	\$3,409,870	\$3,580,490
Support Services	81,730	1,903,289	1,630,413
Non-Instructional Services	2,970,844	2,766,804	2,673,711
Extracurricular Activities	791,460	1,370,223	1,360,314
Operating Grants and Contributions	97,880,543	98,877,672	105,858,803
Capital Grants and Contributions	75,060	765,501	362,250
<i>Total Primary Government Program Revenues</i>	<u>104,401,401</u>	<u>109,093,359</u>	<u>115,465,981</u>
Net (Expense)/Revenue			
Governmental Activities	<u>(371,018,774)</u>	<u>(398,027,662)</u>	<u>(471,523,345)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$371,018,774)</u>	<u>(\$398,027,662)</u>	<u>(\$471,523,345)</u>

Cincinnati Public School District

<u>2005</u>	<u>2006</u>
\$221,590,261	\$223,297,113
78,163,915	80,390,504
7,952,193	6,209,179
1,743,840	4,703,448
28,917,415	26,628,386
35,799,980	33,757,059
348,475	308,211
83,855,686	33,272,546
4,319,078	3,889,606
1,161,363	1,372,454
39,950,347	41,446,421
24,960,104	24,928,584
17,193,132	14,031,779
29,840,292	26,527,842
5,731,005	5,080,509
35,335,026	35,493,871
<u>\$616,862,112</u>	<u>\$561,337,512</u>
\$3,787,000	\$4,258,848
2,609,254	2,518,277
2,728,504	3,361,377
945,664	713,347
126,815,341	108,096,560
63,167,849	243,573
<u>200,053,612</u>	<u>119,191,982</u>
<u>(416,808,500)</u>	<u>(442,145,530)</u>
<u>(\$416,808,500)</u>	<u>(\$442,145,530)</u>

(Continued)

Cincinnati Public School District

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

	2002	2003	2004
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Property Taxes Levied for			
General Purposes	\$239,988,500	\$242,138,738	\$241,472,317
Debt Service	737,370	899,101	22,088,507
Revenue in Lieu of Taxes	13,994,122	15,095,611	14,269,160
Grants and Entitlements not			
Restricted to Specific Programs	143,443,480	144,831,670	173,939,321
Investment Earnings	10,357,950	8,693,979	6,461,084
Miscellaneous	3,396,032	4,063,450	5,315,126
<i>Total Primary Government</i>	<u>\$411,917,454</u>	<u>\$415,722,549</u>	<u>\$463,545,515</u>
Change in Net Assets			
Governmental Activities	<u>\$40,898,680</u>	<u>\$17,694,887</u>	<u>(\$7,977,830)</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$40,898,680</u>	<u>\$17,694,887</u>	<u>(\$7,977,830)</u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2002.

Cincinnati Public School District

<u>2005</u>	<u>2006</u>
\$230,848,360	\$315,532,788
26,870,805	34,823,550
14,877,443	15,745,319
149,003,219	146,356,573
11,517,721	28,554,158
4,960,207	6,131,207
<u>\$438,077,755</u>	<u>\$547,143,595</u>
<u>\$21,269,255</u>	<u>\$104,998,065</u>
<u>\$21,269,255</u>	<u>\$104,998,065</u>

Cincinnati Public School District

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

	1999	2000	2001	2002
General Fund				
Reserved	\$84,913,658	\$36,753,989	\$74,103,330	\$60,916,774
Unreserved	(78,841,977)	15,702,774	22,613,806	68,034,263
<i>Total General Fund</i>	<u>6,071,681</u>	<u>52,456,763</u>	<u>96,717,136</u>	<u>128,951,037</u>
All Other Governmental Funds				
Reserved	11,223,622	21,906,347	32,446,112	18,022,379
Unreserved, Undesignated in:				
Special Revenue Funds	3,869,489	8,831,545	13,272,099	15,726,294
Capital Projects Funds	(3,047,769)	(23,659,446)	99,234,369	96,634,588
Permanent Fund	0	0	0	317,754
Total All Other Governmental Funds	<u>12,045,342</u>	<u>7,078,446</u>	<u>144,952,580</u>	<u>130,701,015</u>
<i>Total Governmental Funds</i>	<u>\$18,117,023</u>	<u>\$59,535,209</u>	<u>\$241,669,716</u>	<u>\$259,652,052</u>

Source: District Treasurer's Office

Cincinnati Public School District

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

Cincinnati Public School District

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

	1999	2000	2001	2002
Revenues:				
Local Sources:				
Taxes	\$233,348,040	\$179,700,792	\$214,021,076	\$238,784,104
Tuition	1,305,060	1,394,557	1,084,570	1,091,966
In Lieu of Taxes	0	8,771,721	9,598,900	13,853,036
Investment Earnings	4,605,204	5,420,695	10,254,870	10,510,893
Food Services	0	0	0	2,823,116
Intermediate Sources	0	0	0	0
Intergovernmental - State	154,274,812	177,900,740	199,746,658	192,853,460
Intergovernmental - Federal	30,292,599	35,768,021	34,826,350	44,632,835
All Other Revenue	9,737,746	10,245,691	9,272,846	7,007,546
Total Revenue	433,563,461	419,202,217	478,805,270	511,556,956
Expenditures:				
Current:				
Instruction				
Regular	165,271,317	162,704,228	184,720,120	209,542,378
Special	50,078,326	49,668,188	45,980,215	55,423,644
Vocational	12,800,910	9,472,984	7,939,467	10,123,352
Other Instruction	3,567,379	2,830,101	1,589,980	1,852,969
Supporting Services:				
Pupils	22,379,104	18,056,966	17,271,836	21,407,476
Instructional Staff	24,740,813	23,268,614	25,739,415	24,227,809
Board of Education	267,170	196,996	208,969	241,577
Administration	27,623,980	27,713,852	29,909,627	32,731,322
Fiscal Services	2,777,796	2,609,556	2,189,842	5,278,194
Business	1,958,498	694,281	402,902	347,721
Operation and Maintenance of Plant	27,128,682	28,375,672	41,214,967	32,917,105
Pupil Transportation	20,678,282	21,039,542	21,798,906	23,555,262
Central	13,450,468	20,489,853	16,035,589	10,087,713
Non-Instructional Services (1)	9,033,661	10,003,707	11,100,306	25,330,107
Extracurricular Activities	3,177,713	3,534,149	3,981,969	4,532,356
Capital Outlay	6,499,311	15,755,943	10,809,755	25,388,396
Debt Service:				
Principal Retirement	1,633,816	26,454,342	24,798,093	33,450,000
Interest and Fiscal Charges	6,143,072	2,785,816	4,944,240	7,815,070
Total Expenditures	399,210,298	425,654,790	450,636,198	524,252,451
Excess (Deficiency) of Revenues				
Over Expenditures	34,353,163	(6,452,573)	28,169,072	(12,695,495)

Cincinnati Public School District

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

(Continued)

Cincinnati Public School District

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

	1999	2000	2001	2002
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	23,032,000	20,550,000	25,000,000
General Obligation Bonds Issued	0	0	131,195,000	0
Premium on General Obligation Bonds	0	0	2,010,435	0
Issuance of Refunding Bonds	0	0	0	0
Premium on Refunding Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
New Capital Leases	0	0	210,000	651,788
Transfers In	9,674,248	3,703,223	4,719,417	9,186,312
Transfers Out	(9,293,038)	(3,259,642)	(4,719,417)	(9,186,312)
Other Miscellaneous Sources (Uses)	2,985,225	(484,821)	0	0
Total Other Financing Sources (Uses)	<u>3,366,435</u>	<u>22,990,760</u>	<u>153,965,435</u>	<u>25,651,788</u>
Net Change in Fund Balance	<u>\$37,719,598</u>	<u>\$16,538,187</u>	<u>\$182,134,507</u>	<u>\$12,956,293</u>

Note: Information was not available prior to 1999.

Source: District Treasurer's Office

- (1) Food Service Operations were reclassified from Business-Type Activity to Governmental Activity in 2003 when the District implemented GASB 34.

Cincinnati Public School District

2003	2004	2005	2006
22,200,000	32,400,000	29,600,000	0
125,000,000	480,000,000	0	26,800,000
7,097,571	13,300,428	0	3,817,959
0	0	0	69,405,000
0	0	0	7,482,626
0	0	0	(76,115,246)
273,894	0	0	0
50,749,244	9,261,682	679,493,721	16,164,576
(50,749,244)	(9,261,682)	(679,493,721)	(16,164,576)
0	0	0	0
154,571,465	525,700,428	29,600,000	31,390,339
<u>\$115,495,440</u>	<u>\$461,859,557</u>	<u>(\$106,215,750)</u>	<u>(\$52,727,169)</u>

Cincinnati Public School District

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

Tax year	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Real Property				
Assessed	\$4,242,782	4,242,923	4,262,469	4,951,206
Actual	\$12,122,234	12,122,637	12,178,483	14,146,303
Public Utility				
Assessed	\$455,125	430,298	435,847	440,481
Actual	\$455,125	430,298	435,847	440,481
Tangible Personal Property				
Assessed	\$755,206	743,936	728,161	717,580
Actual	\$3,020,824	2,975,744	2,912,644	2,870,320
Total				
Assessed	\$5,453,113	5,417,157	5,426,477	6,109,267
Actual	\$15,598,183	15,528,679	15,526,974	17,457,104
Assessed Value as a Percentage of Actual Value	34.96%	34.88%	34.95%	35.00%
Total Direct Tax Rate	N/A	\$53	\$53	\$53

Source: Hamilton County Auditor

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

N/A = not available

Cincinnati Public School District

2000	2001	2002	2003	2004	2005
4,953,069	4,964,324	5,514,802	5,578,562	5,487,899	6,253,727
14,151,626	14,183,783	15,756,577	15,938,749	15,679,711	17,867,791
416,613	333,228	351,842	354,261	348,115	352,496
416,613	333,228	351,842	354,261	348,115	352,496
728,376	737,473	690,729	577,134	575,490	434,739
2,913,504	2,949,892	2,762,916	2,308,536	2,301,960	1,738,956
6,098,058	6,035,025	6,557,373	6,509,957	6,411,504	7,040,962
17,481,743	17,466,903	18,871,335	18,601,546	18,329,786	19,959,243
34.88%	34.55%	34.75%	35.00%	34.98%	35.28%
\$52	\$57	\$57	\$56	\$61	\$61

Cincinnati Public School District

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

Collection Year	1997	1998	1999	2000
Direct District Rates				
General Fund	52.18	52.22	52.22	51.77
Permanent Improvement	0.74	0.74	0.74	0.00
Bond Retirement Fund	0.27	0.17	0.17	0.17
Total	<u>53.19</u>	<u>53.13</u>	<u>53.13</u>	<u>51.94</u>
Overlapping Rates				
Hamilton County	19.44	19.44	19.01	19.54
Cities:				
Cheviot	13.00	12.84	12.82	12.66
Cincinnati	11.46	11.46	11.46	10.90
Indian Hill	0.96	0.96	0.96	0.96
Madeira	7.50	7.50	7.50	7.50
Norwood	11.40	11.40	11.40	11.40
Silverton	11.15	11.15	8.15	8.15
Wyoming	10.00	10.00	10.00	10.00
Villages:				
Amberly	4.00	4.00	6.00	6.00
Fairfax	2.76	2.76	2.76	2.76
Golf Manor	19.60	19.42	19.42	19.42
Mairemont	8.94	12.44	12.44	12.44
Townships:				
Anderson	11.18	11.18	12.18	12.18
Columbia	17.96	17.96	17.96	17.96
Delhi	20.46	20.46	20.46	20.46
Green	8.81	8.81	8.81	8.81
Springfield	15.67	14.30	14.30	14.30
Sycamore	7.60	7.60	7.75	7.75
Fairfax - Madison Pl.	0.00	0.00	0.00	0.00
Total	<u><u>255.08</u></u>	<u><u>256.81</u></u>	<u><u>256.51</u></u>	<u><u>255.13</u></u>

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

Source:

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

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
56.79	57.01	56.11	56.09	56.19	55.13
0.00	0.00	0.00	0.00	0.00	0.00
0.14	0.14	0.14	4.66	4.64	4.64
<u>56.93</u>	<u>57.15</u>	<u>56.25</u>	<u>60.75</u>	<u>60.83</u>	<u>59.77</u>
20.83	19.92	21.47	21.87	21.51	20.81
12.62	12.56	12.42	12.24	12.22	14.52
10.76	10.76	10.63	10.36	10.34	10.19
0.96	0.96	0.96	0.96	0.96	0.96
7.50	7.50	7.50	7.50	7.50	7.50
11.40	11.40	11.40	11.40	11.40	11.40
8.15	8.15	8.15	8.15	8.15	8.15
10.00	10.00	10.00	10.00	10.00	10.00
7.00	7.00	7.00	7.00	7.00	7.00
2.76	2.76	2.76	2.76	2.76	2.76
25.32	24.52	24.52	24.52	24.52	30.52
12.44	12.44	12.44	14.37	14.37	14.37
14.15	14.15	14.15	14.15	14.15	14.15
17.96	17.96	17.96	21.26	21.26	21.26
20.46	20.46	20.46	20.46	20.46	26.34
8.81	8.31	8.31	8.31	8.31	9.81
14.30	20.30	20.30	20.30	20.30	20.30
7.75	7.75	7.75	7.75	7.75	7.75
0.00	2.50	2.50	2.76	2.76	2.76
<u>270.10</u>	<u>276.55</u>	<u>276.93</u>	<u>286.87</u>	<u>286.55</u>	<u>300.32</u>

Cincinnati Public School District

*Principal Taxpayers
Tangible Personal Property Tax
Current Year and Two Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
The Procter and Gamble Company	Consumer Goods Manufacturing	\$25,360,710	1	5.83%
Duramed Pharmaceuticals Inc.	Pharmaceuticals	12,907,100	2	2.97%
Cognis Corporation	Speciality Chemicals	10,010,340	3	2.30%
Givaudan Flavors Corp	Consumer Products	9,888,830	4	2.27%
Coca Cola Enterprises Inc.	Consumer Products	9,064,930	5	2.09%
Gannett Satellite Information Network	Media Holdings	8,939,100	6	2.06%
Kroger Limited PTSP 1	Real Estate Holdings	8,756,780	7	2.01%
Kroger Company	Consumer Goods Distribution	8,243,570	8	1.90%
Sun Chemical	Chemicals	8,098,730	9	1.86%
Noveon Hilton Davis	Chemicals	6,824,500	10	1.57%
Subtotal		108,094,590		24.86%
All Others		326,644,650		75.14%
Total		<u>\$434,739,240</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2003		
		Assessed Value	Rank	Percent of Total Assessed Value
The Procter and Gamble Company	Consumer Goods Manufacturing	\$33,848,970	1	5.87%
Cognis Corporation	Speciality Chemicals	10,050,100	2	1.74%
Coca Cola Enterprises Inc.	Consumer Products	10,007,260	3	1.73%
Givaudan Flavors Corp	Consumer Products	9,285,310	4	1.61%
Sun Chemical	Chemicals	8,266,750	5	1.43%
Kroger Limited PTSP 1	Real Estate Holdings	8,266,390	6	1.43%
Gannett Satellite Information Network	Media Holdings	7,899,070	7	1.37%
Noveon Hilton Davis	Chemicals	7,500,850	8	1.30%
Kroger Company	Consumer Goods Distribution	6,315,960	9	1.09%
Convergys Information Management	Consulting Services	5,311,140	10	0.92%
Subtotal		106,751,800		18.49%
All Others		470,382,360		81.51%
Total		<u>\$577,134,160</u>		<u>100.00%</u>

Source: Hamilton County Auditor - Land and Buildings

Based on valuation of property in 2005 and 2003.

Note: Information was not available prior to 2003.

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

Cincinnati Public School District

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

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Duke Energy	Public Utility	\$269,064,850	1	4.07%
The Procter & Gamble Company	Consumer Goods Manufacturing	77,750,550	2	1.18%
Cincinnati Bell Telephone	Public Utility	54,032,600	3	0.82%
Fifth Third Center Association	Real Estate Holding	37,513,580	4	0.57%
The Christ Hospital	Health Care Holding	33,741,760	5	0.51%
Emery Realty Co.	Real Estate Holding	29,053,860	6	0.44%
Prudential Insurance	Real Estate Holding	24,500,010	7	0.37%
Columbia Development Corp	Real Estate Holding	22,802,920	8	0.35%
Regency Centers LP	Real Estate Holding	18,550,010	9	0.28%
Cincinnati & Surburban Bell	Public Utility	17,674,930	10	0.27%
Subtotal		584,685,070		8.86%
All Others		6,021,538,270		91.14%
Total		<u>\$6,606,223,340</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 1996		
		Assessed Value	Rank	Percent of Total Assessed Value
CINERGY	Public Utility	\$333,786,760	1	7.11%
Cincinnati Bell Telephone	Public Utility	142,229,300	2	3.03%
The Procter & Gamble Co.	Consumer Goods Manufacturing	115,801,930	3	2.46%
Cincinnati Milacron	Machine Tools	43,994,530	4	0.94%
Prudential Insurance	Real Estate Holdings	29,225,010	5	0.62%
Atrium II Development	Real Estate Holdings	27,300,010	6	0.58%
Columbia Development	Real Estate Holdings	26,850,020	7	0.57%
Emery Realty	Real Estate Holdings	24,500,010	8	0.52%
580 Walnut Partners	Real Estate Holdings	21,192,500	9	0.45%
Fifth Third Center	Real Estate Holdings	19,845,010	10	0.42%
Subtotal		784,725,080		16.70%
All Others		3,913,182,370		83.30%
Total		<u>\$4,697,907,450</u>		<u>100.00%</u>

Source: Hamilton County Auditor - Land and Buildings
Based on valuation of property in 2005 and 1996

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

Cincinnati Public School District

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

Collection Year	<u>1996</u>	<u>1997</u>	<u>1998</u>
Total Tax Levy (1)	\$222,898	\$222,332	\$221,284
Collections within the Fiscal Year of the Levy			
Current Tax Collections (2)	215,374	213,304	212,143
Percent of Levy Collected	96.62%	95.94%	95.87%
Delinquent Tax Collections	<u>10,268</u>	<u>10,031</u>	<u>8,858</u>
Total Tax Collections	225,642	223,335	221,001
Percent of Total Tax Collections To Tax Levy	101.23%	100.45%	99.87%
Accumulated Outstanding Delinquent Taxes (3)	20,252	19,494	18,217
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	9.09%	8.77%	8.23%

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included; December 2005 settlement estimate included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Source: Hamilton County Auditor's Office

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

Cincinnati Public School District

1999	2000	2001	2002	2003	2004	2005
\$224,300	\$228,955	\$228,488	\$236,177	\$269,841	\$268,011	\$277,611
215,308	206,750	203,990	208,901	232,064	231,599	237,378
95.99%	90.30%	89.28%	88.45%	86.00%	86.41%	85.51%
9,589	7,184	8,523	9,007	10,874	10,910	12,621
224,897	213,934	212,513	217,908	242,938	242,509	249,999
100.27%	93.44%	93.01%	92.26%	90.03%	90.48%	90.05%
20,182	14,926	6,250	7,138	9,655	11,049	12,343
9.00%	6.52%	2.74%	3.02%	3.58%	4.12%	4.45%

Cincinnati Public School District

Ratio of Outstanding Debt By Type Last Ten Years

	1997	1998	1999	2000
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	N/A	\$8,955,000	\$7,465,000	\$5,915,000
Long-Term Notes Payable	N/A	0	0	23,032,000
Tax Anticipation Notes Payable	N/A	66,380,000	42,700,000	46,790,000
Capital Leases	N/A	381,000	237,712	162,970
Total Primary Government	<u>\$0</u>	<u>\$75,716,000</u>	<u>\$50,402,712</u>	<u>\$75,899,970</u>
Population ⁽²⁾				
City of Cincinnati	364,040	364,040	364,040	364,040
Outstanding Debt Per Capita	\$0	208	138	208
Income ⁽³⁾				
Personal (in thousands)	10,219,331	10,700,956	11,544,436	11,744,658
Percentage of Personal Income	0.00%	0.71%	0.44%	0.65%

Sources:

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

N/A = Not available

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
\$128,250,000	\$122,600,000	\$246,547,692	\$732,790,633	\$721,838,146	\$736,003,676
27,800,000	25,000,000	22,200,000	32,400,000	29,600,000	0
30,050,000	15,000,000	10,000,000	5,000,000	0	43,600,000
216,775	527,997	470,019	172,081	29,772	0
<u>\$186,316,775</u>	<u>\$163,127,997</u>	<u>\$279,217,711</u>	<u>\$770,362,714</u>	<u>\$751,467,918</u>	<u>\$779,603,676</u>
331,285	331,285	331,285	331,285	331,285	331,285
562	492	843	2,325	2,268	2,353
12,219,731	11,509,503	11,977,940	12,342,354	13,074,825	13,702,279
1.52%	1.42%	2.33%	6.24%	5.75%	5.69%

Cincinnati Public School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	1997	1998	1999	2000
Population (1)	364,040	364,040	364,040	364,040
Assessed Value (in thousands) (2)	\$5,453,116	\$5,417,157	\$5,426,477	\$6,109,267
General Bonded Debt (3)				
General Obligation Bonds	N/A	\$8,955,000	7,465,000	5,915,000
Resources Available to Pay Principal (4)	N/A	\$3,722,511	3,749,868	6,496,441
Net General Bonded Debt	\$0	5,232,489	3,715,132	(581,441)
Ratio of Net Bonded Debt to Estimated Actual Value	0.00%	0.10%	0.07%	(0.01%)
Net Bonded Debt per Capita	0	14	10	(2)

Source:

- (1) U.S. Bureau of Census of Population
- (2) Hamilton County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

N/A = Not available

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
331,285	331,285	331,285	331,285	331,285	331,285
\$6,098,058	\$6,035,025	\$6,557,373	\$6,510,956	\$6,411,504	\$7,040,961
128,250,000	122,600,000	246,547,692	732,790,633	721,838,146	736,003,676
13,592,362	5,067,945	5,501,964	15,765,336	15,714,852	21,561,481
114,657,638	117,532,055	241,045,728	717,025,297	706,123,294	714,442,195
1.88%	1.95%	3.68%	11.01%	11.01%	10.15%
346	355	728	2,164	2,131	2,157



Cincinnati Public School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2006*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Cincinnati Public School District	Amount Applicable to Cincinnati Public School District
Direct:			
Cincinnati Public School District	\$736,003,676	100.00%	\$736,003,676
Overlapping:			
Hamilton County	111,605,000	34.22%	38,191,231
Cities:			
Cheviot	80,000	100.00%	80,000
Cincinnati	322,197,001	99.95%	322,035,902
Madeira	1,535,000	0.32%	4,912
Norwood	10,791,739	0.46%	49,642
Silverton	250,277	93.21%	233,283
Wyoming	3,488,182	0.11%	3,837
Villages:			
Amberly	1,380,000	100.00%	1,380,000
Fairfax	1,045,000	19.04%	198,968
Golf Manor	0	100.00%	0
Mairemont	0	0.05%	0
Townships:			
Anderson	0	0.59%	0
Columbia	280,000	56.13%	157,164
Delhi	7,245,000	2.22%	160,839
Green	333,331	12.91%	43,033
Springfield	13,715,000	5.36%	735,124
Anderson Township Park District	2,257,288	0.59%	13,318
	<u>476,202,818</u>	Subtotal	<u>363,287,253</u>
		Total	<u><u>\$1,099,290,929</u></u>

Source: Hamilton County Auditor

Cincinnati Public School District

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

	1996	1997	1998	1999
Net Assessed Valuation	\$5,453,113	\$5,417,157	\$5,426,477	\$6,109,267
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	490,780	487,544	488,383	549,834
Applicable District Debt Outstanding	N/A	N/A	8,955	7,465
Less: Applicable Debt Service Fund Amounts (2)	N/A	N/A	(3,723)	(3,750)
Net Indebtedness Subject to Limitation	0	0	5,232	3,715
Overall Legal Debt Margin	<u>\$490,780</u>	<u>\$487,544</u>	<u>\$483,150</u>	<u>\$546,119</u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	5,453	5,417	5,426	6,109
Applicable District Debt Outstanding	0	0	8,955	7,465
Unvoted Legal Debt Margin	<u>\$5,453</u>	<u>\$5,417</u>	<u>\$14,381</u>	<u>\$13,574</u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	49,078	48,754	48,838	54,983
Authorized by the Board	0	0	0	0
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$49,078</u>	<u>\$48,754</u>	<u>\$48,838</u>	<u>\$54,983</u>

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

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

N/A = Not available

Cincinnati Public School District

2000	2001	2002	2003	2004	2005
\$6,098,058	\$6,035,025	\$6,557,373	\$6,509,957	\$6,411,504	\$7,040,962
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
548,825	543,152	590,164	585,896	577,035	633,687
5,915	128,250	122,600	246,548	732,791	721,838
(6,496)	(13,592)	(5,068)	(5,502)	(15,765)	(15,715)
(581)	114,658	117,532	241,046	717,025	706,123
\$549,407	\$428,495	\$472,632	\$344,850	(\$139,990)	(\$72,437)
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6,098	6,035	6,557	6,510	6,412	7,041
5,915	128,250	122,600	246,548	732,791	721,838
\$12,013	\$134,285	\$129,157	\$253,058	\$739,202	\$728,879
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
54,883	54,315	59,016	58,590	57,704	63,369
0	0	0	0	0	0
\$54,883	\$54,315	\$59,016	\$58,590	\$57,704	\$63,369

Cincinnati Public School District

Demographic and Economic Statistics Last Ten Years

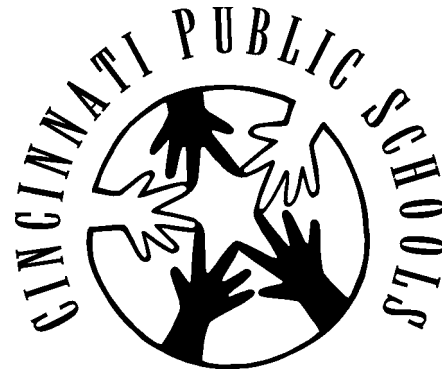
Calendar Year	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Population ⁽¹⁾				
City of Cincinnati	364,040	364,040	364,040	364,040
Hamilton County	866,228	866,228	866,228	866,228
Income ^{(2) (a)}				
Total Personal (in thousands)	\$10,219,331	10,700,956	11,544,436	11,744,658
Per Capita	\$28,072	29,395	31,712	32,262
Unemployment Rate ⁽³⁾				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Hamilton County	4.2%	3.6%	3.4%	3.5%
Fiscal Year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
School Enrollment ⁽⁴⁾				
Grades K - 5	26,275	26,502	25,768	23,785
Grades 6 - 8	11,100	11,109	10,887	10,305
Grades 9 - 12	11,107	10,444	10,528	10,192
Total	<u>48,482</u>	<u>48,055</u>	<u>47,183</u>	<u>44,282</u>

Sources:

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

Cincinnati Public School District

2000	2001	2002	2003	2004	2005
364,040	331,285	331,285	331,285	331,285	331,285
845,303	845,303	845,303	845,303	845,303	845,303
12,219,731	11,509,503	11,977,940	12,342,354	13,074,825	13,702,279
33,567	34,742	36,156	37,256	39,467	41,361
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
3.6%	3.6%	5.1%	5.1%	5.7%	5.7%
2001	2002	2003	2004	2005	2006
22,194	20,663	19,826	18,153	16,907	15,964
10,273	10,077	10,004	9,690	9,071	8,573
10,116	10,509	10,580	10,936	11,190	11,029
42,583	41,249	40,410	38,779	37,168	35,566



Cincinnati Public School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
University of Cincinnati	Education	15,400	1	15.05%
The Kroger Co.	Consumer Goods Distribution	14,000	2	13.69%
Health Alliance	Health Care	13,141	3	12.85%
The Procter & Gamble Co.	Consumer Goods Manufacturing	12,000	4	11.73%
Fifth Third Bank Corp.	Financial Institution	8,964	5	8.76%
Toyota Motor Manufacturing	Automotive	8,490	6	8.30%
Children's Hospital	Health Care	8,102	7	7.92%
TriHealth, Inc.	Health Care	7,648	8	7.48%
Cincinnati Public Schools	Education	7,589	9	7.42%
City of Cincinnati	City Government	6,964	10	6.81%
Total		<u>102,298</u>		
Total Employment within the District		<u>1,049,900</u>		

Employer	Nature of Business	1997		
		Number of Employees	Rank	Percentage of Total Employment
The Procter & Gamble Co.	Consumer Goods Manufacturing	14,700	1	3.37%
U. S. Government	Federal Government	13,562	2	3.11%
University of Cincinnati	Education	11,716	3	2.69%
The Kroger Co.	Consumer Goods Distribution	10,000	4	2.30%
G. E. Aircraft Engines	Jet Engines	8,000	5	1.84%
City of Cincinnati	City Government	5,964	6	1.37%
Hamilton County	County Government	5,440	7	1.25%
Cincinnati Gas & Electric	Utility	5,000	8	1.15%
Cincinnati Public Schools	Education	4,526	9	1.04%
Cincinnati Milicron	Machine Tool	4,500	10	1.03%
Total		<u>83,408</u>		
Total Employment within the District		<u>435,700</u>		

Sources: Cincinnati Chamber of Commerce

Cincinnati Public School District

*School District Employees by Type
Last Ten Years*

	1997	1998	1999	2000
Supervisory				
Instructional Administrators	4.56	27.98	15.67	9.41
Noninstructional Administrators	57.28	56.48	66.12	61.56
Consultants/Supervisors of Instruction	68.72	58.20	56.86	24.56
Principals	80.25	81.90	81.90	76.55
Assistant Principals	47.75	49.16	50.15	46.67
Instruction				
Classroom Teachers	3,354.78	3,326.52	3,282.30	3,130.73
Student Services				
Guidance Counselors	28.19	25.11	27.66	23.76
Social Workers	24.47	28.50	20.45	22.86
Psychologists	49.59	53.38	53.07	53.33
Librarians	78.19	76.43	76.53	61.56
Other Professionals (noninstructional)	71.43	121.69	119.40	93.05
Support Services				
Clerical/Secretaries	452.54	442.27	437.43	418.69
Tutors/Aides	1,102.54	1,133.32	1,189.54	977.39
Safety/Security	158.22	121.85	124.57	149.50
Food Service	236.88	246.83	237.40	235.34
Maintenance/Grounds	445.75	448.69	442.40	395.83
Warehouse	1.15			
<i>Total Employees</i>	<u>6,262.29</u>	<u>6,298.31</u>	<u>6,281.45</u>	<u>5,780.79</u>

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

Source: District Treasurer's Office

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
10.29	10.07	6.80	4.00	2.00	4.00
55.10	41.38	45.14	45.50	43.00	34.00
23.47	31.16	34.32	16.80	9.50	3.00
76.34	84.73	90.80	88.20	81.00	73.00
41.77	49.79	54.00	59.90	58.80	51.80
3,007.39	3,211.60	3,165.06	3,115.73	3,035.34	2,719.36
19.02	21.08	23.00	20.00	21.00	18.00
24.29	27.10	68.76	37.40	40.80	34.50
56.99	63.08	68.61	76.90	75.35	77.50
53.54	50.87	46.00	29.30	32.00	27.00
84.03	118.24	117.21	67.94	89.97	80.83
410.06	411.97	419.30	441.30	423.78	392.49
1,008.89	1,105.29	1,067.45	1,023.53	933.88	889.50
169.09	191.25	166.40	165.61	150.67	138.51
249.04	251.46	251.64	254.45	238.20	213.26
390.46	416.36	425.03	404.19	389.60	364.00
<u>5,679.77</u>	<u>6,085.43</u>	<u>6,055.32</u>	<u>5,850.75</u>	<u>5,624.89</u>	<u>5,120.75</u>

Cincinnati Public School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	1997	1998	1999	2000
Enrollment	48,482	48,055	47,183	44,282
Modified Accrual Basis				
Operating Expenditures	\$369,514,667	385,830,771	379,131,943	358,415,103
Cost per Pupil	7,622	8,029	8,035	8,094
Percentage of Change	N/A	5.3%	0.1%	0.7%
Accrual Basis				
Expenses	N/A	N/A	N/A	\$322,885,686
Cost per Pupil	N/A	N/A	N/A	7,292
Percentage of Change	N/A	N/A	N/A	N/A
Teaching Staff	N/A	N/A	N/A	3,183
Pupil to Teacher Ratio				
Cincinnati	N/A	N/A	N/A	13.9
State Average	20.7	20.4	18.6	18.1

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

N/A = Not available

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
42,583	41,249	40,410	38,779	37,168	35,566
365,595,754	376,904,822	384,863,523	416,267,722	412,034,475	389,724,221
8,585	9,137	9,524	10,734	11,086	10,958
6.1%	6.4%	4.2%	12.7%	3.3%	(1.2%)
347,841,089	364,345,091	385,642,911	429,344,388	411,593,061	561,337,512
8,169	8,833	9,543	11,072	11,074	15,783
12.0%	8.1%	8.0%	16.0%	0.0%	42.5%
3,067	3,114	2,953	2,929	2,565	2,639
13.9	13.2	13.7	13.2	14.5	13.5
18.0	16.9	16.9	18.5	18.5	18.6



Cincinnati Public School District

*Operating Indicators by Function
Last Two Years*

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

Source: District Treasurer's Office

Information not available in this format prior to 2005

Cincinnati Public School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	1997	1998	1999	2000
Minimum Salary	\$27,617	28,446	29,299	29,886
Maximum Salary	\$60,381	62,451	64,325	65,612
District Average Salary	\$0	46,695	48,846	51,660
County Average Salary	N/A	\$44,497	45,853	47,367
State Average Salary	N/A	\$39,714	40,746	41,713

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	1997	1998	1999	2000
Bachelor's Degree	N/A	N/A	N/A	640
Bachelor + 15	N/A	N/A	N/A	785
Master's Degree	N/A	N/A	N/A	1,238
Master's Degree + 30	N/A	N/A	N/A	473
Doctorate	N/A	N/A	N/A	47
Total	0	0	0	3,183

Source: District Treasurer's Office
N/A = not available

Cincinnati Public School District

2001	2002	2003	2004	2005	2006
30,783	31,706	32,657	33,866	34,882	35,824
67,582	69,608	71,696	76,581	78,879	81,008
52,686	51,513	43,967	55,348	58,362	60,275
48,609	49,439	47,239	52,837	54,288	54,967
42,892	44,266	45,515	47,495	49,438	50,772

2001	2002	2003	2004	2005	2006
525	500	463	413	243	230
786	815	772	723	658	692
1,271	1,266	1,199	1,236	1,077	1,111
441	486	472	506	541	560
44	47	47	51	46	46
3,067	3,114	2,953	2,929	2,565	2,639



Cincinnati Public School District

*Capital Asset Statistics by Building
Last Two Years*

	<u>2005</u>	<u>2006</u>
School Buildings		
High Schools		
Number of Buildings	11	10
Square Footage	2,838,696	2,667,745
Capacity (students)	16,031	15,081
Enrollment	12,483	12,050
Elementary Schools		
Number of Buildings	59	53
Square Footage	4,601,341	4,398,912
Capacity (students)	35,043	33,522
Enrollment	24,685	23,516
All Other		
Central Administration Building		
Square Footage	140,033	140,033
Transportation Building		
Square Footage	N/A	N/A
Maintenance Building		
Square Footage	150,779	150,779

Source: District Treasurer's Office

Information not available in this format prior to 2005

Cincinnati Public School District

*Capital Asset Statistics by Function
Last Five Years*

	2002	2003	2004
Governmental Activities			
Instruction			
Land and Improvements	\$19,911,765	\$19,911,765	\$20,538,705
Buildings and Improvements	142,687,508	141,732,449	140,528,734
Furniture, Fixtures and Equipment	6,948,724	7,540,126	2,057,564
Vehicles	92,543	92,543	29,353
Support Services			
Pupil			
Land and Improvements	26,374	29,009	26,374
Buildings and Improvements	0	2,278	0
Furniture, Fixtures and Equipment	184,268	1,491,560	1,262,731
Instructional Staff			
Buildings and Improvements	0	6,410	0
Furniture, Fixtures and Equipment	671,185	884,885	411,971
Administration			
Furniture, Fixtures and Equipment	313,291	388,424	70,000
Vehicles	22,888	22,888	0
Fiscal Services			
Furniture, Fixtures and Equipment	411,404	475,750	298,473
Business			
Furniture, Fixtures and Equipment	12,040	16,493	0
Operations and Maintenance of Plant			
Land and Improvements	0	0	0
Buildings and Improvements	0	33,492	2,800,651
Furniture, Fixtures and Equipment	651,248	1,020,470	78,112
Vehicles	873,865	890,763	25,972
Pupil Transportation			
Buildings and Improvements	25,615	85,415	0
Furniture, Fixtures and Equipment	0	0	55,348
Vehicles	21,045	21,045	0
Central			
Land and Improvements	779,700	779,700	684,000
Buildings and Improvements	6,854,000	6,854,000	6,854,000
Furniture, Fixtures and Equipment	2,306,042	2,555,055	1,204,787
Vehicles	21,051	21,051	0
Extracurricular Activities			
Land Improvements	268,700	268,700	172,800
Buildings and Improvements	342,100	342,100	325,200
Furniture, Fixtures and Equipment	36,018	69,607	0

Cincinnati Public School District

2005	2006
\$17,611,778	\$17,611,778
140,528,734	125,518,165
2,165,367	1,820,727
29,353	29,353
26,374	26,374
0	0
1,309,740	1,279,452
0	0
411,971	254,387
80,544	80,544
0	0
298,473	298,473
0	0
468,837	468,837
4,266,854	5,109,224
78,112	78,112
25,972	25,972
0	0
55,348	55,348
0	0
684,000	684,000
6,854,000	6,854,000
1,204,786	843,848
0	0
172,800	172,800
325,200	325,200
0	0

Cincinnati Public School District

*Capital Asset Statistics by Function
Last Five Years*

	2002	2003	2004
Non-Instructional Activities			
Buildings and Improvements	0	378,261	224,550
Furniture, Fixtures and Equipment	9,669,413	10,341,636	456,479
Vehicles	525,327	525,327	374,142
Facility Services			
Land and Improvements	2,824,524	2,824,524	0
Buildings and Improvements	11,363,461	11,438,484	9,944,000
Furniture, Fixtures and Equipment	0	7,753	0
Vehicles	103,441	346,138	73,414
Construction in Progress	20,000	1,039,943	1,039,943
Site Acquisition			
Land and Improvements	0	4,656,909	4,656,909
Construction in Progress	0	0	1,154,394
Architecture and Engineering			
Land and Improvements	1,800	1,800	2,652,564
Buildings and Improvements	148,400	214,402	396,880
Furniture, Fixtures and Equipment	0	0	0
Construction in Progress	3,909,146	4,460,939	13,442,187
Building Acquisition and Construction			
Land and Improvements	17,024	17,024	0
Buildings and Improvements	243,470	4,046,973	4,008,342
Furniture, Fixtures and Equipment	0	0	0
Construction in Progress	754,048	5,677,682	26,511,691
Building Improvement			
Land and Improvements	33,514	33,514	33,514
Buildings and Improvements	1,675,565	1,682,819	1,668,830
Furniture, Fixtures and Equipment	0	0	0
Construction in Progress	487,607	487,607	588,868
Total	\$215,238,114	\$233,717,713	\$244,651,482

Source: District Treasurer's Office

Note: Information was not available prior to 2002.

Cincinnati Public School District

<u>2005</u>	<u>2006</u>
224,551	224,551
456,479	13,277
374,142	374,142
2,692,594	2,363,524
9,944,000	8,047,410
0	0
73,414	194,475
0	0
7,023,853	9,222,040
0	0
0	0
467,011	1,839,714
0	0
13,353,061	13,353,061
13,009,390	13,009,390
17,504,609	87,582,648
1,041,677	0
121,805,910	151,712,461
33,514	33,514
1,668,831	958,859
0	0
0	0
<u>\$366,271,279</u>	<u>\$450,465,660</u>

Cincinnati Public School District

Educational and Operating Statistics Last Five Years

	2002	2003	2004	2005
ACT Scores (Average)				
Cincinnati	20.3	19.7	19.5	19.7
Ohio	21.4	21.4	21.4	21.1
National	20.8	20.8	20.9	20.6
SAT Scores (Average)				
Cincinnati				
Verbal	536	530	522	508
Mathematical	538	523	511	508
Ohio				
Verbal	534	536	540	539
Mathematical	539	541	540	543
National				
Verbal	506	507	510	508
Mathematical	514	519	510	520
National Merit Scholars				
Finalist	2	5	6	5
Semi-Finalist	13	13	14	17
Cost per Student (ODE)				
Cincinnati	9,983	10,981	12,667	12,734
Ohio (Average)	8,073	8,441	8,768	9,028
Cost to Educate a Graduate				
Cincinnati	94,116	99,730	106,735	113,248
Ohio (Average)	75,655	79,747	84,129	88,133
Attendance Rate				
Cincinnati	91.10%	90.80%	94.80%	94.40%
Ohio (Average)	95.00%	94.90%	95.30%	95.20%
Graduation Rate				
Cincinnati	60.20%	61.00%	72.10%	77.00%
Ohio (Average)	82.80%	83.90%	84.30%	85.90%

Source:

District's Student Records and Ohio Department of Education

Note: Information was not available prior to 2002.

Cincinnati Public School District

2006

19.4

21.5

21.1

483

480

535

544

503

518

3

13

11,970

8,744

118,613

88,671

94.80%

94.10%

76.60%

86.20%





Mary Taylor, CPA
Auditor of State

CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 10, 2007