



Hamilton County, OH

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2015



2015



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

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*Hamilton County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

*Prepared by:*  
Jennifer Wagner  
Treasurer/CFO



# 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**

April 12, 2016

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, 2015. This report was prepared by the Office of the Treasurer/CFO and includes the report of the independent auditor, Plattenburg & Associates, Inc. The independent auditor’s report concludes that the District’s financial statements for the year ended June 30, 2015 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 the State of Ohio Uniform School Accounting System (USAS), an automated, on-line general ledger accounting system used by the majority of Ohio School Districts. USAS is the basis for the District’s accounting and budgetary. The District also complements and enhances the General Ledger USAS system with EprOhio, an automated e-procurement software. The District uses the State of Ohio Equipment Inventory System (EIS) for capital assets controls. The financial statements contained in the CAFR have been prepared from the USAS system, implemented by the Treasurer’s Office in July 2013.

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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

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

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

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

The District operates 43 elementary schools, 17 secondary schools, and 4 satellite schools. Through the use of a five-year building and maintenance plan, all facilities are kept in the best operating and physical condition possible. The District has implemented a \$56 million energy conservation program and has completed a \$1.1 billion, 10-year Facilities Master Plan program.

District enrollment data was not finalized by the Ohio Department of Education as of the date of this report; these data are estimates based on data reported to the Ohio department of education as of December 15, 2015. The District's average daily student enrollment (K-12) for the 2014-2015 year was 31,450 students. The District served 69% of the estimated 43,476 of school-aged children residing within its boundaries. The majority of enrolled students were members of ethnic minorities — in the 2014-2015 school year, 61.7% percent of students were African-American, 26.9 percent were Caucasian, 5.8 percent were other/multiracial, 4.1 percent were Hispanic, 1.2 percent were Asian or Pacific Islander.

A significant majority of students in the District — 84.4% percent — were on the federal free or reduced- price lunch plan during the 2014-2015 school year. Ninety percent of the District's elementary schools served students where 75 percent or more are economically disadvantaged. Nineteen percent of the students attending were served with Special Education needs.

Transportation was provided daily for 16,162 public students, 3,410 for charter students and 3,279 for non-public students. Buses traveled an average of 19,422 miles each day. A self-supporting Food Services Department served an average of 19,098 lunches and 15,359 breakfasts per day for the 2014-2015 school year.

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

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

***For the Fiscal Year Ended June 30, 2015***

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

The Board of Education of the Cincinnati City School District (Board) is a body both politic and corporate, charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State of Ohio (Ohio Revised Code). The Board is comprised of seven (7) members who are elected for overlapping four-year terms. The Board members during the fiscal year ended June 30, 2015 were:

	<u>Current Term Commenced</u>	<u>Current Term Expires</u>
Alexander P. Kuhns, President	01/01/12	12/31/15
Ericka Copeland-Dansby, Vice President	01/01/14	12/31/17
Melanie Bates	01/01/10	12/31/17
Eve Bolton	01/01/08	12/31/15
Elisa Hoffman	01/01/14	12/31/17
A. Chris Nelms	01/01/08	12/31/15
Daniel Minera	01/01/14	12/31/17

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

The Cincinnati Board of Education named Mary A. Ronan as Superintendent effective April 16, 2009. She has a current contract ending December 31, 2016.

Ms. Ronan began her more than 38-year career with Cincinnati Public Schools as a math and science teacher at the former Merry Middle School — a building that now houses her office as Superintendent in the district's Education Center.

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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Superintendent Ronan's experiences in district administration include appointments as assistant superintendent and director of schools, roles in which she worked with principals to enhance leadership skills. At both the school and central administration levels, she has earned a reputation for building strong, supportive and open relationships with her staff as well as parents and community stakeholders. In 2005, she received the Excellence in Educational Leadership Award from The University Council for Educational Administration and in 2014 received the YWCA Woman of the Year Award.

Under Ms. Ronan's leadership, CPS raised student academic achievement and earned an Effective rating on the Ohio Report Card for two consecutive years (2009-10, 2010-11) to become Ohio's highest-rated urban school district. CPS' Performance Index of overall progress continues to top that of all Ohio urban school districts.

In the first year of Ohio's Third Grade Guarantee, CPS had a 97.1% promotion rate on the 2013 report card.

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

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

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

She also led the successful completion – on time and on budget – of the district's decade-long \$1 billion Facilities Master Plan, which created 49 new or fully renovated schools while helping to revitalize neighborhoods. These schools also are Community Learning Centers, which operate as community hubs and assemble partnerships to expand academic and enrichment support for families beyond the traditional school day.

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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During part of the 2014-2015 fiscal year, the Treasurer/CFO of the District was Mrs. Diana C. Whitt. The Board appointed Mrs. Whitt as Treasurer/CFO commencing September 1, 2012. Mrs. Whitt has extensive experience that includes being the District Treasurer and Chief Financial Officer at Trotwood Madison City Schools near Dayton, Ohio, September 2002 thru September 2012. Mrs. Whitt also has corporate experience in financial management, consulting and sales.

Mrs. Whitt received her B.A. Degree from Notre Dame College in South Euclid, Ohio and her Master's Degree from the University of Phoenix. Mrs. Whitt retired from the District December 31, 2014.

The Cincinnati Board of Education appointed Mrs. Jennifer M. Wagner, as Interim Treasurer/Chief Financial Officer effective January 1, 2015. Subsequently, the Board appointed Mrs. Wagner as Treasurer/Chief Financial Officer on February 9, 2015. Currently, Mrs. Wagner is serving a 2-year contract commencing from February 10, 2015 thru July 31, 2017.

Mrs. Wagner, who joined the district in October 1993 and has led various CPS business operations during her tenure. Mrs. Wagner, has served as Chief Information Officer (CIO), providing executive oversight to all aspects of information management and technology; Director of Student Information Systems, responsible for student databases; and Director of Total Quality Management, an initiative to infuse total quality management principles and strategic planning into the district's transportation department since December 2011. During transition periods, Mrs. Wagner stepped up twice to fill vacant positions, as Interim Business Executive in 2002 and as Assistant Treasurer/Controller in January 2006.

Prior to joining CPS, Mrs. Wagner, a Certified Public Accountant, was Vice President/Controller for General Polymers Corporation. Mrs. Wagner received her BS in Accounting from Virginia Tech in Blacksburg, Virginia and currently holds CPA and Ohio School Treasurer licenses.

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

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

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

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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

Among the Metropolitan Area's more prominent manufacturing groups are transportation equipment, which includes aircraft engines and motor vehicle parts; food and kindred products; metal working and general industrial machinery; chemicals; fabricated metal products; and printing and publishing. This diverse economic base continues to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle. The U.S. Bureau of Labor Statistics estimated total employment in Hamilton County at 495,326 at March 31, 2015. According to the National Conference of State Legislatures, the State of Ohio employment rate was 94.8% at June 30, 2015 and the national rate is 94.7% at this date.

More than half of the nation's population, manufacturers, and purchasing power are located within 600 miles of Greater Cincinnati. The corporate headquarters of numerous firms are located in the Metropolitan Area, including nine Fortune 500 corporations: Kroger Company, Procter & Gamble, Macy's, Ashland Inc., Fifth Third Bancorp, Omnicare, General Cable Corp, AK Steel, Western & Southern Financial Group, and American Financial Group.

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. Cincinnati exports more than any other city in Ohio and is ranked (15th) in the United States.

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

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

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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

The District's ten-year, \$1.1 billion 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 2015, the District has renovated or constructed new a total of 49 schools. In August 2015, CPS moved into our final building project, a newly renovated Walnut Hills High School. Three demolition projects were added to the FMP and were completed in November 2015; thus completing our Facilities Master Plan project. The District's new schools are distinctive, eye-catching buildings, with technology-ready classrooms and energy efficient features. The buildings provide an abundance of natural light and include outdoor educational areas. As state-of-the-art, 21st century schoolhouses, these buildings have quickly become local landmarks and community anchors.

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

### **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, 2014. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The June 30, 2014 CAFR was the fifteenth 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.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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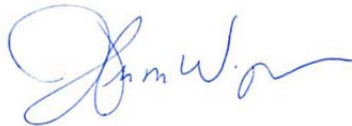
#### ***Independent Audit***

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. Plattenburg & Associates, Inc. has performed the District Audit for fiscal year ended June 30, 2015. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, the 1996 amendments thereto, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in a separately issued 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 the treasurer's department team in their coordinated efforts in completing this report. I am also grateful for the professional services of Donald J. Schonhardt & Associates and Bastin & Company, LLC, for their assistance. 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,



Jennifer M. Wagner  
Treasurer/CFO

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

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### ***List of Principal Officials June 30, 2015***

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

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Alexander P. Kuhns	President	December 31, 2015
Erika Copeland-Dansby	Vice President	December 31, 2017
Melanie Bates	Member	December 31, 2017
Eve Bolton	Member	December 31, 2015
Daniel Minera	Member	December 31, 2017
A. Chris Nelms	Member	December 31, 2015
Elisa Hoffman	Member	December 31, 2017

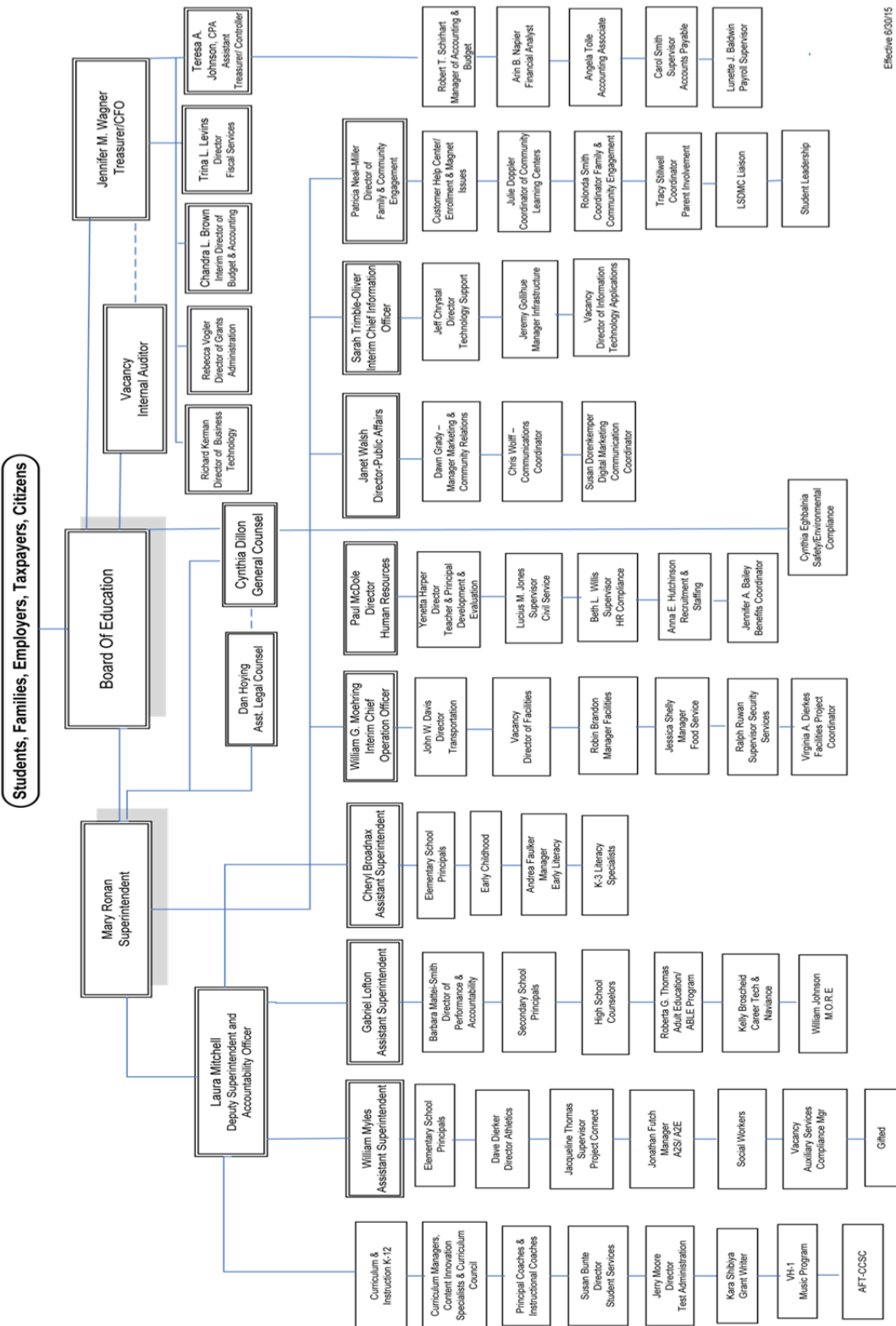
#### **District Administration:**

<b><u>Name</u></b>	<b><u>Title</u></b>
Mary Ronan	Superintendent
Jennifer M. Wagner	Treasurer/CFO
C. Laura Mitchell	Deputy Superintendent
William M. Myles	Assistant Superintendent
Gabriel Lofton	Assistant Superintendent
Cheryl Broadnax	Assistant Superintendent
Cynthia L. Dillon	General Counsel
Sarah Trimble-Oliver	Chief Information Officer
William Moehring	Chief Operating Officer (Interim)
Patricia Neal-Miller	Director of Family and Community Engagement
Janet Walsh	Director of Public Affairs
Paul McDole, Jr.	Director of Human Resources

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## School District Organizational Chart For the Fiscal Year Ended June 30, 2015

### Cincinnati Public Schools Organizational Chart





Government Finance Officers Association

**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, 2014**

Executive Director/CEO





# Financial Section



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to previously 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 District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note 2 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2016, on our consideration of the District's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

April 12, 2016



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

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015***

***Unaudited***

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The discussion and analysis of the Cincinnati City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. 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 2015 are as follows:**

General revenues accounted for \$534,403,760 in revenue or 82.7% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$111,667,464 or 17.3% of total revenues of \$646,071,224.

The District had \$630,823,966 in expenses related to governmental activities; only \$111,667,464 of these expenses was offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$286,570,176, revenue in lieu of taxes totaling \$26,478,019, unrestricted state and federal revenues totaling \$216,053,122, investment earnings totaling \$1,422,750 and \$3,879,693 in miscellaneous revenues) were adequate to provide for these programs.

The District's total net position increased \$15,247,258 in fiscal year 2015, which represents a 26.7% increase from the fiscal year 2014 balance. Revenues increased by 7.9% and expenses increased 7.9% from prior year amounts. Approximately 66.2% of the increase in revenues came from grants and entitlements (program revenues and general revenues combined). Increases in Instructional Staff and Central functions accounted for 59.3% of the increase of \$45.96 million.

Among major funds, the general fund had \$496,498,229 in revenue, \$472,324,566 in expenditures and (\$14,792,588) in net other financing uses, resulting in the general fund balance increasing by \$9,381,075 to \$171,075,908.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015***

***Unaudited***

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These statements are as follows:

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

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

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

### **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting similar to those used by private-sector companies. The statement of net position includes all of the District's assets and deferred outflows of resources and all of its liabilities and deferred inflows of resources. 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 position and how it has changed. Net position (the difference between the District's assets and deferred outflows and liabilities and deferred inflows) is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

Unaudited

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

**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. 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 position for 2015 compared to 2014:

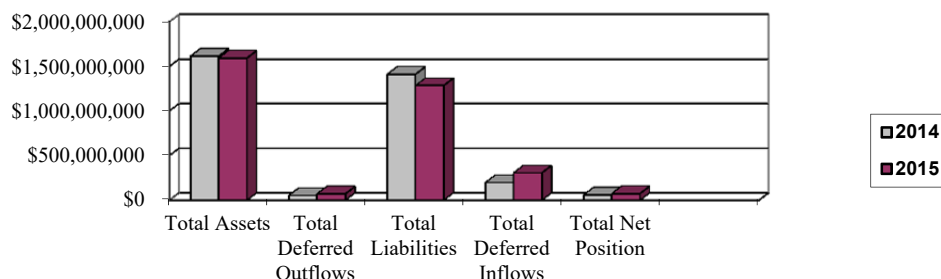
	Governmental Activities		Increase (Decrease)
	2015	Restated 2014	
Current and other assets	\$580,300,913	\$579,349,260	\$951,653
Capital assets, Net	1,011,848,018	1,034,053,065	(22,205,047)
Total assets	1,592,148,931	1,613,402,325	(21,253,394)
Deferred Outflows of Resources	69,526,939	51,830,070	17,696,869
Net pension liability	510,509,895	606,266,288	(95,756,393)
Other long-term liabilities	722,700,363	748,596,178	(25,895,815)
Other liabilities	50,867,285	56,034,820	(5,167,535)
Total liabilities	1,284,077,543	1,410,897,286	(126,819,743)
Deferred Inflows of Resources	305,156,802	197,140,842	108,015,960
Net position:			
Net Investment in Capital Assets	373,215,575	378,833,045	(5,617,470)
Restricted	73,755,332	77,150,658	(3,395,326)
Unrestricted	(374,529,382)	(398,789,436)	24,260,054
Total net position	\$72,441,525	\$57,194,267	\$15,247,258

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

Unaudited

Cincinnati City Schools Governmental Activities



During 2015, the District adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District’s proportionate share of each plan’s collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees’ past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015***

***Unaudited***

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$632,302,720 to \$57,194,267 in governmental activities.

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# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

*Unaudited*

**Changes in Net Position** – The following table shows the net position for the fiscal year 2015 compared to 2014:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Revenues			
Program revenues:			
Charges for Services	\$20,508,334	\$17,600,278	\$2,908,056
Operating Grants	90,857,795	74,439,049	16,418,746
Capital Grants	301,335	825,988	(524,653)
General revenues:			
Property Taxes	286,570,176	275,371,026	11,199,150
Revenue in Lieu of Taxes	26,478,019	28,579,107	(2,101,088)
Grants and Entitlements	216,053,122	200,504,547	15,548,575
Other	5,302,443	1,267,799	4,034,644
Total revenues	646,071,224	598,587,794	47,483,430
Program Expenses			
Instruction:			
Regular	224,826,991	227,470,011	(2,643,020)
Special	75,109,882	68,794,765	6,315,117
Vocational	4,302,419	3,367,142	935,277
Other	965,911	825,306	140,605
Support Services:			
Pupils	36,943,283	38,352,619	(1,409,336)
Instructional Staff	35,105,522	21,048,281	14,057,241
Board of Education	406,132	389,815	16,317
Administration	32,228,666	29,462,944	2,765,722
Fiscal Services	8,972,208	8,209,680	762,528
Business	2,051,368	1,300,440	750,928
Operation and Maintenance of Plant	46,511,084	43,099,032	3,412,052
Pupil Transportation	32,192,259	29,401,931	2,790,328
Central	32,127,115	18,914,522	13,212,593
Non-Instructional Services	62,166,963	55,719,694	6,447,269
Extracurricular Activities	5,751,797	5,406,211	345,586
Interest and Fiscal Charges	31,162,366	33,103,064	(1,940,698)
Total expenses	630,823,966	584,865,457	45,958,509
Total Change in Net Position	15,247,258	13,722,337	1,524,921
Beginning Net Position, Restated	57,194,267	N/A	N/A
Ending Net Position	\$72,441,525	\$57,194,267	\$19,775,272

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015*

*Unaudited*

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$31,157,835 for Governmental Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$22,465,194. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expenses under GASB 68	\$630,823,966
Pension expense under GASB 68	(22,465,194)
2015 contractually required contribution	34,357,132
Adjusted 2015 program expenses	642,715,904
Total 2014 program expenses under GASB 27	584,865,457
Increase in program expenses not related to pension	\$57,850,447

The District's total net position increased \$15,247,258 in fiscal year 2015, representing a 26.7% increase from the ending fiscal year 2014 net position balance. In comparison, total net position increased in fiscal year 2014 by \$13,722,337.

The District's revenues came from mainly two sources. Property taxes levied for general purposes and grants and entitlements comprise over 91.9% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation.

Property taxes made up 44.4% of governmental activities total revenues for the District in fiscal year 2015 and saw a 4.1% increase over 2014 levels.

Overall, 2015 grants and entitlements amounts increased \$31.4 million over 2014 amounts. General revenue type grants and entitlements increased primarily due to increased revenue recognized for various grant programs such as the Ohio Department of Education's Straight A Program (\$9.5 million), the Economic Disadvantaged Program (\$6 million), the Opportunity Grant Program (\$6 million), the Career Tech Grant Program (\$4 million), the Title I Grant Program (\$4.5 million) and the Auxiliary Services Grant program (\$4.1 million).

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

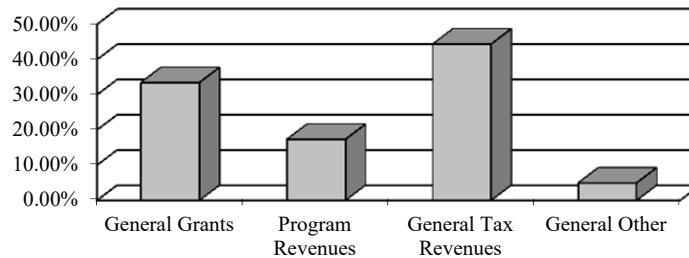
Unaudited

#### 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 44.4% of revenues for governmental activities for the Cincinnati City School District in fiscal year 2015. The District's reliance upon tax revenues is demonstrated by the following table and graph:

Revenue Sources	2015	Percent of Total
General Grants	\$216,053,122	33.44%
Program Revenues	111,667,464	17.28%
General Tax Revenues	286,570,176	44.36%
General Other	31,780,462	4.92%
Total Revenue	<u>\$646,071,224</u>	<u>100.00%</u>



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

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015***

***Unaudited***

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

The District's governmental funds reported a combined fund balance of \$252,692,494, which is less than last year's total of \$253,466,542. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General	\$171,075,908	\$161,694,833	\$9,381,075
Debt Service	35,185,555	36,585,823	(1,400,268)
Other Governmental	46,431,031	55,185,886	(8,754,855)
Total	<u>\$252,692,494</u>	<u>\$253,466,542</u>	<u>(\$774,048)</u>

The District's General Fund's fund balance increased during Fiscal year 2015 by \$9.4 million as revenues exceeded the total of expenditures and transfers in/out from/to other funds. By comparison, fiscal year 2014 increased by \$3.4 million.

The decrease in the Debt Service Fund is due primarily to the District's cash contribution of \$1.9 million in the refunding of capital leases payable.

The decrease in Other Governmental Funds is largely due to the expenditure of prior funding for the operation and maintenance of facilities and the close out of the District's Permanent Improvement Fund as well as capital related expenditures from the District's Classroom Facilities Fund related to District's Facilities Master Plan that is nearing completion.

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# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015**

**Unaudited**

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

	2015 Revenues	2014 Revenues	Increase (Decrease)
Taxes	\$257,543,099	\$253,135,130	\$4,407,969
Tuition	4,782,852	2,807,829	1,975,023
In Lieu of Taxes	10,573,113	12,552,058	(1,978,945)
Investment Earnings	1,007,099	424,952	582,147
Intergovernmental - State	210,830,365	194,334,271	16,496,094
Intergovernmental - Federal	4,532,688	896,059	3,636,629
All Other Revenue	7,229,013	3,461,032	3,767,981
Total	<u>\$496,498,229</u>	<u>\$467,611,331</u>	<u>\$28,886,898</u>

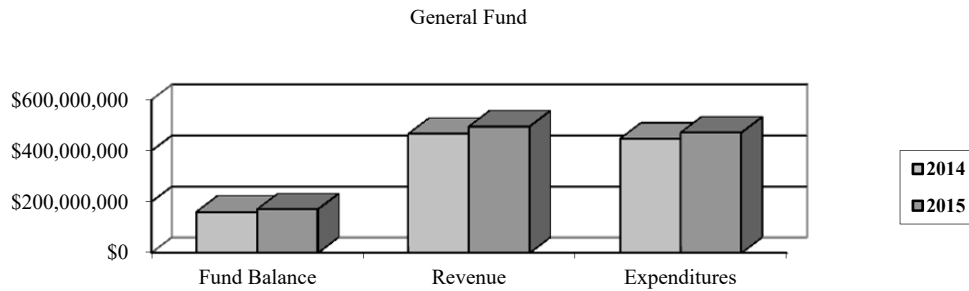
General Fund revenues in 2015 increased from 2014 amounts primarily due to increased revenue recognized for various grant programs such as the Economic Disadvantaged Program, the Opportunity Grant Program and the Career Tech Grant Program.

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Instruction:			
Regular	\$229,116,340	\$226,792,687	\$2,323,653
Special	53,585,013	49,665,262	3,919,751
Vocational	2,967,485	2,870,691	96,794
Other	160,349	64,270	96,079
Supporting Services:			
Pupils	35,547,430	36,176,770	(629,340)
Instructional Staff	8,259,135	9,529,810	(1,270,675)
Board of Education	398,908	401,626	(2,718)
Administration	27,770,425	25,872,851	1,897,574
Fiscal Services	7,598,124	7,332,451	265,673
Business	1,970,154	1,260,940	709,214
Operation and Maintenance of Plant	38,354,631	37,110,220	1,244,411
Pupil Transportation	31,954,324	29,362,331	2,591,993
Central	31,088,856	18,068,977	13,019,879
Non-Instructional Services	24,166	264,591	(240,425)
Extracurricular Activities	3,475,465	3,372,641	102,824
Capital Outlay	53,761	335,979	(282,218)
Total	<u>\$472,324,566</u>	<u>\$448,482,097</u>	<u>\$23,842,469</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

Unaudited



The \$23.8 million increase in total operating expenditures is a result of several factors. Increased expenditures in several programs such as the Economic Disadvantaged Program, the Opportunity Grant Program and the Career Tech Grant Program attributed to the majority of the overall increase. In addition, increases in staffing occurred for 2015 as a result of increases in the overall student count of the District. Variations between functional expense classifications between 2014 and 2015 also were recognized due to the changing nature of funding requirements during 2015, resulting in the realignment of expense classifications between program expense types.

During the course of fiscal year 2015 the District amended its General Fund budget for revenues and expenditures several times.

The General Fund's final budgeted revenues were increased .3% or \$1.5 million compared to the original budget estimates due to increasing estimated revenues primarily for taxes and intergovernmental revenues. Appropriations were increased by a minor amount due to specific identification of certain areas where budgeted line item amounts required additional appropriations throughout the year.

Actual final budget basis revenues were 7.8% above, or \$36.5 million, final budgeted amounts primarily as a result of higher than budgeted property tax receipts collected by Hamilton County and intergovernmental-state revenues. Actual final budget basis expenditures were lower than final appropriated amounts and varied by 2.7% or \$13.4 million.

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# CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

**Unaudited**

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - At the end of fiscal 2015 the District had \$1,011,848,018 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 2015 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$36,231,387	\$36,332,287	(\$100,900)
Construction in Progress	244,563	103,295,611	(103,051,048)
Land Improvements	11,794,003	10,985,941	808,062
Buildings and Improvements	1,150,787,593	1,048,398,731	102,388,862
Furniture, Fixtures and Equipment	2,568,524	764,783	1,803,741
Vehicles	923,967	923,967	0
Less: Accumulated Depreciation	(190,702,019)	(166,648,255)	(24,053,764)
Totals	<u>\$1,011,848,018</u>	<u>\$1,034,053,065</u>	<u>(\$22,205,047)</u>

For financial reporting purposes the District capitalizes all assets in excess of \$25,000 unless they are purchased with Federal funding, in which case the threshold is \$5,000. The \$102,388,862 net increase in Buildings and Improvements during 2015 was a result of completing construction of several building projects as part of the District's ten year, \$985 million Facilities Master Plan and reclassified from construction in progress to other asset classifications. The \$103,051,048 net decrease in Construction in Progress is a result of those schools where construction was completed during 2015. The decrease in capital asset balances, coupled with changes in debt balances, contributed to a net decrease in Government Activities Net Investment in Capital Assets in the amount of \$5,617,470. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 11).

**Debt** - At June 30, 2015, the District had \$568,734,053 in General Obligation Bonds outstanding, \$27,440,493 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2015:

	2015	Restated 2014
Governmental Activities:		
General Obligation Bonds	\$568,734,053	\$600,399,546
Net Pension Liability	510,509,895	606,266,288
Capital Leases	114,320,995	104,875,000
Compensated Absences	39,645,315	43,321,632
Totals	<u>\$1,233,210,258</u>	<u>\$1,354,862,466</u>

Detailed information regarding debt is included in the notes to the basic financial statements (Notes 14-15).

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

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015***

***Unaudited***

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### **ECONOMIC FACTORS**

The Board of Education and administration closely monitor revenue and expenditures in accordance with the financial forecast. The District has communicated to its community the reliance upon their support for its operations and that it will continue to work diligently to plan expenditures, carefully staying within the District's five-year financial plan.

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

The District's revenues increased by 7.9% and expenses increased 7.9% from prior year amounts. Approximately 66.2% of the increase in revenues came in the form of grants and entitlements received.

The economy, changes in federal and state funding amounts and varying spending restrictions on funding received will challenge the District's budget while continuing current successful programs and implementing new initiatives like the District's My Tomorrow technology initiative. As a result of the challenges mentioned above, it is imperative that the School District's Management continue to carefully plan in order to provide the resources required to meet the student needs over the next several years. Strategies will need to be developed to be able to cope with the increasing needs of the School District's student population and matching costs with the financial structure that exists that combines the local revenue and the State foundation funding. The current varying economic conditions of the State along with the rising cost of materials and labor present funding challenges. The School district administration acknowledges that fact and knows that it must be creative in managing its budget. The diverse economic base in the industry will continue to be a source of stability for the area, protecting it from severe peaks and valleys in the business cycle.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Jennifer Wagner, 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 Position June 30, 2015

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in Pooled Cash and Investments	\$ 209,560,565
Investments	342,275
Receivables:	
Taxes	318,556,246
Accounts	188,128
Intergovernmental - State and Local	5,508,971
Intergovernmental - Federal	25,976,988
Interest	254,140
Inventory of Supplies at Cost	82,844
Inventory Held for Resale	2,920
Restricted Assets:	
Pooled Cash and Investments	19,827,836
Non-Depreciable Capital Assets	36,475,950
Depreciable Capital Assets, Net	975,372,068
<b>Total Assets</b>	<b>1,592,148,931</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Charge on Debt Refunding	30,382,642
Pension	39,144,297
<b>Total Deferred Outflows of Resources</b>	<b>69,526,939</b>
<b>Liabilities:</b>	
Accounts Payable	4,034,476
Accrued Wages and Benefits	30,776,635
Intergovernmental Payable	9,516,274
Claims Payable	4,111,000
Accrued Interest Payable	2,428,900
Long Term Liabilities:	
Due Within One Year	36,452,777
Net Pension Liability	510,509,895
Other Amounts Due in More Than One Year	686,247,586
<b>Total Liabilities</b>	<b>1,284,077,543</b>
<b>Deferred Inflows of Resources:</b>	
Property Taxes	213,305,885
Pension	91,850,917
<b>Total Deferred Inflows of Resources</b>	<b>305,156,802</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	373,215,575
Restricted For:	
Debt Service	36,269,930
Permanent Fund:	
Expendable	530,588
Nonexpendable	768,034
State and Federal Grants	36,186,780
Unrestricted	(374,529,382)
<b>Total Net Position</b>	<b>\$ 72,441,525</b>

See accompanying notes to the basic financial statements

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Statement of Activities For the Fiscal Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Instruction - Regular	\$ 224,826,991	\$ 12,417,107	\$ 6,394,307	\$ 0	\$ (206,015,577)
Instruction - Special	75,109,882	308,082	24,665,871	0	(50,135,929)
Instruction - Vocational	4,302,419	17,915	734,980	0	(3,549,524)
Instruction - Other	965,911	124,914	414,963	0	(426,034)
Support Services:					
Pupils	36,943,283	54,617	1,394,030	0	(35,494,636)
Instructional Staff	35,105,522	1,716,716	17,547,951	0	(15,840,855)
Board of Education	406,132	0	0	0	(406,132)
Administration	32,228,666	305,941	3,425,067	0	(28,497,658)
Fiscal Services	8,972,208	17,114	758,363	0	(8,196,731)
Business	2,051,368	675	0	0	(2,050,693)
Operation and Maintenance of Plant	46,511,084	257,573	57,102	301,335	(45,895,074)
Pupil Transportation	32,192,259	0	44,142	0	(32,148,117)
Central	32,127,115	44,991	190,776	0	(31,891,348)
Operation of Non-Instructional Services	62,166,963	1,665,441	34,136,839	0	(26,364,683)
Extracurricular Activities	5,751,797	3,577,248	1,093,404	0	(1,081,145)
Interest and Fiscal Charges	31,162,366	0	0	0	(31,162,366)
<b>Total Governmental Activities</b>	<b>\$ 630,823,966</b>	<b>\$ 20,508,334</b>	<b>\$ 90,857,795</b>	<b>\$ 301,335</b>	<b>(519,156,502)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					258,835,153
Debt Service					27,735,023
Revenue in Lieu of Taxes					26,478,019
Grants and Entitlements not Restricted to Specific Programs					216,053,122
Investment Earnings					1,422,750
Miscellaneous					3,879,693
<b>Total General Revenues</b>					<b>534,403,760</b>
Change in Net Position					15,247,258
Net Position Beginning of Year, Restated					57,194,267
Net Position End of Year					<b>\$ 72,441,525</b>

See accompanying notes to the basic financial statements

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## **Balance Sheet** **Governmental Funds** **June 30, 2015**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 127,820,706	\$ 9,056,569	\$ 51,614,980	\$ 188,492,255
Investments	0	0	342,275	342,275
Receivables:				
Taxes	287,249,576	31,306,670	0	318,556,246
Accounts	139,590	0	48,538	188,128
Intergovernmental - State and Local	0	0	5,508,971	5,508,971
Intergovernmental - Federal	0	0	25,976,988	25,976,988
Interest	196,252	57,888	0	254,140
Interfund Loans Receivable	17,288,114	0	0	17,288,114
Inventory of Supplies at Cost	0	0	82,844	82,844
Inventory Held for Resale	0	0	2,920	2,920
Restricted Assets:				
Pooled Cash and Investments	0	19,724,452	103,384	19,827,836
<b>Total Assets</b>	<b>\$ 432,694,238</b>	<b>\$ 60,145,579</b>	<b>\$ 83,680,900</b>	<b>\$ 576,520,717</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 1,302,205	\$ 0	\$ 2,451,943	\$ 3,754,148
Accrued Wages and Benefits	25,610,473	0	5,166,162	30,776,635
Intergovernmental Payable	7,158,518	0	2,357,756	9,516,274
Interfund Loans Payable	0	0	17,288,114	17,288,114
Compensated Absences Payable	2,182,401	0	0	2,182,401
<b>Total Liabilities</b>	<b>36,253,597</b>	<b>0</b>	<b>27,263,975</b>	<b>63,517,572</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	33,505,597	3,513,275	9,985,894	47,004,766
Property Tax Levy for Next Fiscal Year	191,859,136	21,446,749	0	213,305,885
<b>Total Deferred Inflows of Resources</b>	<b>225,364,733</b>	<b>24,960,024</b>	<b>9,985,894</b>	<b>260,310,651</b>
<b>Fund Balances:</b>				
Nonspendable	485,160	0	853,798	1,338,958
Restricted	0	35,185,555	46,611,525	81,797,080
Assigned	12,599,416	0	0	12,599,416
Unassigned	157,991,332	0	(1,034,292)	156,957,040
<b>Total Fund Balances</b>	<b>171,075,908</b>	<b>35,185,555</b>	<b>46,431,031</b>	<b>252,692,494</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 432,694,238</b>	<b>\$ 60,145,579</b>	<b>\$ 83,680,900</b>	<b>\$ 576,520,717</b>

See accompanying notes to the basic financial statements

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### ***Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2015***

<b>Total Governmental Fund Balances</b>		<b>\$ 252,692,494</b>
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		1,011,848,018
Other long-term assets are not available to pay for current- period expenditures and therefore are reported as deferred inflows of resources in the fund statements.		
	Taxes Receivable	36,956,422
	Interest Receivable	62,450
	Grants Receivable	9,985,894
	Deferred Charge on Debt Refunding	30,382,642
	<b>Total</b>	<b>77,387,408</b>
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
	Deferred Outflows - Pension	39,144,297
	Deferred Inflows - Pension	(91,850,917)
	Net Pension Liability	(510,509,895)
	<b>Total</b>	<b>(563,216,515)</b>
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 position.		16,676,982
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	(36,452,777)
	Amounts Due in More Than One Year	(686,247,586)
	Compensated Absences - accrued on fund basis	2,182,401
	Accrued Interest on Long-Term Debt	(2,428,900)
	<b>Total</b>	<b>(722,946,862)</b>
<b><i>Net Position of Governmental Activities</i></b>		<b>\$ 72,441,525</b>
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, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 257,543,099	\$ 28,174,288	\$ 0	\$ 285,717,387
Tuition	4,782,852	0	19,332	4,802,184
In Lieu of Taxes	10,573,113	15,905,977	0	26,479,090
Investment Earnings	1,007,099	351,154	48,940	1,407,193
Food Services	0	0	1,453,317	1,453,317
Intergovernmental - State	210,830,365	2,982,994	26,310,796	240,124,155
Intergovernmental - Federal	4,532,688	2,233,852	70,236,525	77,003,065
All Other Revenue	7,229,013	0	10,212,671	17,441,684
<b>Total Revenue</b>	<b>496,498,229</b>	<b>49,648,265</b>	<b>108,281,581</b>	<b>654,428,075</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	229,116,340	0	3,657,829	232,774,169
Special	53,585,013	0	24,040,091	77,625,104
Vocational	2,967,485	0	1,303,050	4,270,535
Other	160,349	0	838,464	998,813
Supporting Services:				
Pupils	35,547,430	0	1,705,700	37,253,130
Instructional Staff	8,259,135	0	27,188,650	35,447,785
Board of Education	398,908	0	0	398,908
Administration	27,770,425	113,501	4,873,647	32,757,573
Fiscal Services	7,598,124	377,302	807,700	8,783,126
Business	1,970,154	0	61,488	2,031,642
Operation & Maintenance of Plant	38,354,631	0	7,538,074	45,892,705
Pupil Transportation	31,954,324	0	41,655	31,995,979
Central	31,088,856	0	451,222	31,540,078
Operation of Non-Instructional Services	24,166	0	39,011,596	39,035,762
Extracurricular Activities	3,475,465	0	2,287,581	5,763,046
Capital Outlay	53,761	0	5,345,304	5,399,065
Debt Service:				
Principal Retirement	0	30,045,000	0	30,045,000
Interest & Fiscal Charges	0	32,493,389	0	32,493,389
Advance Refunding Escrow	0	1,867,819	0	1,867,819
<b>Total Expenditures</b>	<b>472,324,566</b>	<b>64,897,011</b>	<b>119,152,051</b>	<b>656,373,628</b>
Excess (Deficiency) of Revenues Over Expenditures	24,173,663	(15,248,746)	(10,870,470)	(1,945,553)

(Continued)

# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Refunding Leases Initiated	0	102,545,000	0	102,545,000
Premium on the Initiation of Refunding Leases	0	9,675,995	0	9,675,995
Payment to Refunded Escrow Agent	0	(111,049,490)	0	(111,049,490)
Transfers In	1,230,215	12,676,973	4,604,997	18,512,185
Transfers Out	(16,022,803)	0	(2,489,382)	(18,512,185)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,792,588)</b>	<b>13,848,478</b>	<b>2,115,615</b>	<b>1,171,505</b>
Net Change in Fund Balance	9,381,075	(1,400,268)	(8,754,855)	(774,048)
<b>Fund Balances at Beginning of Year</b>	<b>161,694,833</b>	<b>36,585,823</b>	<b>55,185,886</b>	<b>253,466,542</b>
<b>Fund Balances End of Year</b>	<b>\$ 171,075,908</b>	<b>\$ 35,185,555</b>	<b>\$ 46,431,031</b>	<b>\$ 252,692,494</b>

See accompanying notes to the basic financial statements

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### ***Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Fiscal Year Ended June 30, 2015***

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Net Change in Fund Balances - Total Governmental Funds \$ (774,048)

***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 depreciation exceeded capital outlay in the current period. (21,971,842)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (233,205)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (8,478,357)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 34,357,132

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (22,465,194)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 30,741,314

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. 1,331,023

Some expenses reported in the statement of activities, including the long-term portion of compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 5,537,398

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. (2,796,963)

***Change in Net Position of Governmental Activities*** \$ 15,247,258

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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 239,128,272	\$ 239,918,019	\$ 266,438,025	\$ 26,520,006
Tuition	4,567,585	4,582,669	4,784,759	202,090
In Lieu of Taxes	10,136,980	10,170,459	10,618,960	448,501
Investment Earnings	666,331	668,532	698,013	29,481
Intergovernmental - State	201,261,071	201,925,757	210,830,365	8,904,608
Intergovernmental - Federal	4,326,956	4,341,246	4,532,688	191,442
All Other Revenues	6,223,073	6,243,625	6,446,191	202,566
Total Revenues	466,310,268	467,850,307	504,349,001	36,498,694
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	240,269,015	240,600,649	233,798,468	6,802,181
Special	57,491,872	57,571,226	55,958,187	1,613,039
Vocational	3,189,065	3,193,467	3,103,992	89,475
Other	157,899	158,117	153,687	4,430
Support Services:				
Pupils	38,352,980	38,405,917	37,329,855	1,076,062
Instructional Staff	9,328,766	9,341,642	9,079,907	261,735
Board of Education	418,122	418,699	406,968	11,731
Administration	28,950,502	28,990,462	28,178,203	812,259
Fiscal Services	8,308,517	8,319,984	8,086,874	233,110
Business	2,210,686	2,213,738	2,151,713	62,025
Operation and Maintenance of Plant	42,093,779	42,151,879	40,970,862	1,181,017
Pupil Transportation	36,545,492	36,595,934	35,570,584	1,025,350
Central	32,085,787	32,130,074	32,021,523	108,551
Operation of Non-Instructional Services	176,502	176,746	171,794	4,952
Extracurricular Activities	3,574,814	3,579,748	3,479,450	100,298
Capital Outlay	143,986	144,185	140,145	4,040
Total Expenditures	503,297,784	503,992,467	490,602,212	13,390,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,987,516)	(36,142,160)	13,746,789	49,888,949

(Continued)

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	934,185	934,185	1,361,935	427,750
Transfers Out	(15,979,631)	(15,979,631)	(16,022,803)	(43,172)
Advances In	0	0	23,820,285	23,820,285
Advances Out	0	0	(17,358,938)	(17,358,938)
Refund of Prior Year's Expenditures	0	0	1,150,101	1,150,101
Refund of Prior Year's Receipts	(399,262)	(399,262)	(399,262)	0
Total Other Financing Sources (Uses):	<u>(15,444,587)</u>	<u>(15,444,587)</u>	<u>(7,448,682)</u>	<u>7,996,026</u>
Net Change in Fund Balance	(52,432,103)	(51,586,747)	6,298,107	57,884,975
Fund Balance at Beginning of Year	71,643,857	71,643,857	71,643,857	0
Prior Year Encumbrances	21,359,110	21,359,110	21,359,110	0
Fund Balance at End of Year	<u>\$ 40,570,864</u>	<u>\$ 41,416,220</u>	<u>\$ 99,301,074</u>	<u>\$ 57,884,975</u>

See accompanying notes to the basic financial statements

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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*Statement of Net Position*  
*Proprietary Fund*  
*June 30, 2015*

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	Governmental Activities - Internal Service Fund
<b>Assets:</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 21,068,310
<b>Total Assets</b>	<u>21,068,310</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	280,328
Claims Payable	<u>4,111,000</u>
<b>Total Liabilities</b>	<u>4,391,328</u>
<b>Net Position:</b>	
Unrestricted	<u>16,676,982</u>
<b>Total Net Position</b>	<u><u>\$ 16,676,982</u></u>

See accompanying notes to the basic financial statements

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

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### ***Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Fund For the Fiscal Year Ended June 30, 2015***

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	Governmental Activities - Internal Service Fund
<b>Operating Revenues:</b>	
Interfund Charges	<u>\$ 49,655,477</u>
<b>Total Operating Revenues</b>	<u>49,655,477</u>
<b>Operating Expenses:</b>	
Claims	<u>52,452,440</u>
<b>Total Operating Expenses</b>	<u>52,452,440</u>
Change in Net Position	(2,796,963)
Net Position Beginning of Year	<u>19,473,945</u>
Net Position End of Year	<u><u>\$ 16,676,982</u></u>

See accompanying notes to the basic financial statements

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

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

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

***For the Fiscal Year Ended June 30, 2015***

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	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$49,655,477
Cash Payments for Claims	<u>(51,699,112)</u>
Net Cash Provided by Operating Activities	<u>(2,043,635)</u>
 Net Change in Cash and Cash Equivalents	 (2,043,635)
 Cash and Cash Equivalents at Beginning of Year	 <u>23,111,945</u>
Cash and Cash Equivalents at End of Year	<u><u>\$21,068,310</u></u>
 <u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Loss	(2,796,963)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Payable	280,328
Increase in Claims Payable	<u>473,000</u>
Total Adjustments	<u>753,328</u>
Net Cash Provided by Operating Activities	<u><u>(\$2,043,635)</u></u>

See accompanying notes to the basic financial statements

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Statement of Net Position* *Fiduciary Funds* *June 30, 2015*

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	Private Purpose Trust Special Trust Fund	Agency
<b>Assets:</b>		
Equity in Pooled Cash and Investments	\$ 929,065	\$ 124,364
Investments	614,351	0
<b>Total Assets</b>	<u>1,543,416</u>	<u>124,364</u>
<b>Liabilities:</b>		
Accounts Payable	9,107	0
Due to Students	0	124,364
<b>Total Liabilities</b>	<u>9,107</u>	<u>124,364</u>
<b>Net Position:</b>		
Unrestricted	1,534,309	0
<b>Total Net Position</b>	<u>\$ 1,534,309</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

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

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***Statement of Changes in Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2015***

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	Private Purpose Trust Special Trust Fund
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 149,619
Total Contributions	<u>149,619</u>
Investment Earnings:	
Interest	21,344
Net Change in the Fair Value of Investments	<u>63,793</u>
Total Investment Earnings	<u>85,137</u>
Total Additions	<u>234,756</u>
<b>Deductions:</b>	
Administrative Expenses	78
Community Services	<u>378,580</u>
Total Deductions	<u>378,658</u>
Change in Net Position	(143,902)
Net Position at Beginning of Year	<u>1,678,211</u>
Net Position End of Year	<u>\$ 1,534,309</u>
See accompanying notes to the basic financial statements	

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting Entity**

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

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

The District is the third largest in the State of Ohio and includes the cities of Cincinnati and Cheviot, and the villages of Amberley and Golf Manor, most of the city of Silverton, and part of each of the following: the city of Wyoming, the village of Fairfax and the townships of Anderson, Columbia, Delhi, Green and Springfield. The District's total area is approximately 90 square miles. As of June 30, 2015, the District employed 5,002 employees, including 2,917 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 GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* 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 position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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

##### **B. Basis of Presentation – Financial Statements** (Continued)

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

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

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

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

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

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

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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

##### **C. Basis of Presentation - Fund Accounting**

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

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

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

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

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 position.

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

##### **C. Basis of Presentation - Fund Accounting** (Continued)

***Fiduciary Funds*** – Fiduciary fund reporting focuses on net position and changes in net position. 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, 2015, and which are not intended to finance fiscal 2015 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

##### **D. Basis of Accounting** (Continued)

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

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

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

##### **E. Budgetary Process**

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Funds that exist only on a modified accrual basis are not required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

##### **1. Tax Budget**

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

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

##### **2. Estimated Resources**

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement, as final budget, reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2015.

##### **3. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by management.

During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. Amounts for advances between funds are not required to be and are not appropriated by the District. In addition, due to the nature of the District's procedures for the funding of payroll expenditures through a holding account, certain transfers are also not formally appropriated. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, modified for the aforementioned advances and transfers, including all amendments and modifications.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

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

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

##### 4. Lapsing of Appropriations

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

##### 5. Budgetary Basis of Accounting

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

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

Net Change in Fund Balance	
	General Fund
GAAP Basis (as reported)	\$9,381,075
Increase (Decrease):	
Accrued Revenues at June 30, 2015, received during FY 2016	(76,838,696)
Accrued Revenues at June 30, 2014, received during FY 2015	83,289,479
Accrued Expenditures at June 30, 2015, paid during FY 2016	36,253,597
Accrued Expenditures at June 30, 2014, paid during FY 2015	(38,347,074)
Interfund Activity 2015	6,461,347
Encumbrances Outstanding	(13,901,621)
Budget Basis	<u>\$6,298,107</u>

# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

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

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 6, "Cash, Cash Equivalents and Investments."

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

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 6, "Cash, Cash Equivalents and Investments."

The District has invested funds in the STAR Ohio during 2015. 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, 2015. See Note 6, "Cash, Cash Equivalents and Investments."

#### **H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when used. The amounts of unused commodities are reported at fair value and as deferred inflows of resources – unavailable amounts, 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 Position.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

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

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

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

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

##### **2. Depreciation**

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

Description	Estimated Lives (in years)
Land Improvements	10 - 20
Buildings and Improvements	30 - 50
Furniture, Fixtures and Equipment	3 - 15
Vehicles	5

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

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

Obligation	Fund
General Obligation Bonds	Debt Service Fund
Capital Leases	Debt Service Fund
Compensated Absences	General Fund, Food Services Fund

#### **K. Compensated Absences**

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

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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

#### **K. Compensated Absences** (Continued)

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

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

##### **K. Compensated Absences (Continued)**

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

##### **L. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, 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 position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

##### **M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

##### **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.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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

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

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

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

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

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

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

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

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Education may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Through the District’s purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes in the general fund, which are reported as assigned fund balance.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

##### **P. Fund Balance** (Continued)

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

##### **Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position explained in Note 12.

##### **R. 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.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

##### **S. 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.

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

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

#### **NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

	Governmental Activities
Net position June 30, 2014	<u>\$632,302,720</u>
Adjustments:	
Net Pension Liability	(606,266,288)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>31,157,835</u>
Restated Net Position June 30, 2014	<u><u>\$57,194,267</u></u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 3 – FUND BALANCES**

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventories	\$0	\$0	\$85,764	\$85,764
Unclaimed Monies	485,160	0	0	485,160
Endowment	0	0	768,034	768,034
Total Nonspendable	<u>485,160</u>	<u>0</u>	<u>853,798</u>	<u>1,338,958</u>
Restricted:				
Targeted Assistance	0	0	16,136,467	16,136,467
Non-Public School Assistance	0	0	3,383,377	3,383,377
Food Service	0	0	9,068,495	9,068,495
Construction and Maintenance	0	0	18,023,186	18,023,186
Debt Service	0	35,185,555	0	35,185,555
Total Restricted	<u>0</u>	<u>35,185,555</u>	<u>46,611,525</u>	<u>81,797,080</u>
Assigned:				
Encumbered Amounts	12,599,416	0	0	12,599,416
Unassigned	<u>157,991,332</u>	<u>0</u>	<u>(1,034,292)</u>	<u>156,957,040</u>
Total Fund Balances	<u>\$171,075,908</u>	<u>\$35,185,555</u>	<u>\$46,431,031</u>	<u>\$252,692,494</u>

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## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements* *For the Fiscal Year Ended June 30, 2015*

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#### **NOTE 4 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position 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 depreciation exceeded capital outlays in the current period:*

Capital Asset Additions	\$2,095,588
Depreciation Expense	(24,067,430)
	<u>(\$21,971,842)</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$852,789
Decrease in Accounts Receivable	(158,204)
Increase in Interest Receivable	15,557
Decrease in Grants Receivable	(9,188,499)
	<u>(\$8,478,357)</u>

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

Bond Principal Payment	\$29,065,000
Refunding Leases Initiated	(102,545,000)
Premium on the Initiation of Refunding Leases	(9,675,995)
Capital Lease Payment	980,000
Advance Refunding Escrow Payment	1,867,819
Payment to Refunding Escrow Agent	111,049,490
	<u>\$30,741,314</u>

*Interest expense not reported in the funds:*

Decrease in accrued interest on long term debt	\$142,432
Amortization of Bond Premium	2,600,493
Amortization of Deferred Loss on Defeasance	(1,411,902)
	<u>\$1,331,023</u>

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 5 – DEFICIT FUND EQUITIES**

The fund deficits at June 30, 2015 of \$184,473 in the ARRA Fund, \$552,519 in the Miscellaneous Federal Grants Fund (special revenue funds) and of \$297,300 in the Building Fund (capital project fund) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur.

#### **NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

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

#### **A. Deposits**

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

At year end the carrying amount of the District's deposits was \$125,788,036 and the bank balance was \$135,447,084. The Federal Deposit Insurance Corporation (FDIC) covered \$750,000 of the bank balance and \$134,697,084 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, 2015

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

#### **B. Investments**

The District's investments at June 30, 2015 were as follows:

	Fair Value	Credit Rating as of June 30, 2014	Investment Maturities (in Years)		
			less than 1	1-3	3+
STAR Ohio	\$3,494,449	AAAm <sup>2</sup>	\$3,494,449	\$0	\$0
Mutual Funds	310,571	Aaa <sup>1</sup> , AAA <sup>2</sup>	310,571	0	0
Freddie Mac	12,864,068	Aaa <sup>1</sup> , AA+ <sup>2</sup>	3,347,773	9,516,295	0
Fannie Mae	13,500,400	Aaa <sup>1</sup> , AAA <sup>2</sup>	0	13,500,400	0
FNMA	29,242,309	Aaa <sup>1</sup> , AA+ <sup>2</sup>	2,439,842	21,888,402	4,914,065
FHLM	9,293,503	Aaa <sup>1</sup> , AA+ <sup>2</sup>	1,000,713	8,292,790	0
FFCB	18,265,346	Aaa <sup>1</sup> , AA+ <sup>2</sup>	174,454	8,570,496	9,520,396
Treasury Notes	2,308,924	Aaa <sup>1</sup> , AA+ <sup>2</sup>	1,005,471	1,303,453	0
FHLB	15,374,224	Aaa <sup>1</sup> , AA+ <sup>2</sup>	500,115	12,223,730	2,650,379
Sub-Total	104,653,794		\$19,923,543	\$33,072,798	\$8,848,486
Common Stock	956,626				
Total Investments	\$105,610,420				

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

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

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

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 3.3% are Star Ohio, .29% are Mutual Funds, 12.2% are Freddie Mac, 12.8% are Fannie Mae, 27.7% are FNMA, 8.8% are FHLM, 17.3% are FFCB, 2.2% are Treasury Notes, 14.5% are FHLB and .91% are common stock (all donated).

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

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

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

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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

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

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

	Pooled Cash and Investments *	Investments
Per Combined Balance Sheet	\$230,441,830	\$956,626
U.S. Government Securities	(100,848,774)	100,848,774
Mutual Funds	(310,571)	310,571
STAR Ohio	(3,494,449)	3,494,449
Per GASB Statement No. 3	<u>\$125,788,036</u>	<u>\$105,610,420</u>

\* - Includes restricted pooled cash and investments

#### **NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 7 - PROPERTY TAXES (Continued)**

Public utility property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2010, were levied after April 1, 2014 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 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, 2015 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 inflows of resources.

The amount available as an advance at June 30, 2015 was \$61,947,293 in the general fund and \$6,346,646 in the debt service fund. The amount available as an advance at June 30, 2014, was \$70,842,219 in the general fund and \$8,588,537 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 recorded as a deferred inflow of resources.

#### **NOTE 8 - RECEIVABLES**

Receivables at June 30, 2015 consisted of taxes, accounts receivable, interest receivable, interfund and intergovernmental receivables.

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

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

#### **NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds at June 30, 2015:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$1,230,215	\$16,022,803
Debt Service Fund	12,676,973	0
Other Governmental Funds	4,604,997	2,489,382
Total All Funds	<u>\$18,512,185</u>	<u>\$18,512,185</u>

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

The General Fund provided transfers of \$12,676,973 to the Debt Service Fund for the retirement of various debt issues, \$3,302,658 to the Other Governmental Funds to provide operating monies and an additional \$43,172 to comply with a court order (described below).

Additional transfers totaling \$2,489,382 from Other Governmental Funds in accordance with approval from the Hamilton County Court of Common Pleas to properly comply with the restrictions of the various monies and current accounting policies and practices.

#### **NOTE 10 - INTERFUND RECEIVABLES/PAYABLES**

Interfund loans receivable/payable and advances to/from other funds at June 30, 2015 from one individual fund to another are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$17,288,114	\$0
Other Governmental Funds	0	17,288,114
Total	<u>\$17,288,114</u>	<u>\$17,288,114</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, 2015*

### NOTE 11 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2015:

*Historical Cost:*

Class	June 30, 2014	Additions	Deletions	June 30, 2015
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$36,332,287	\$0	(\$100,900)	\$36,231,387
Construction In Progress	103,295,611	0	(103,051,048)	244,563
Subtotal	<u>139,627,898</u>	<u>0</u>	<u>(103,151,948)</u>	<u>36,475,950</u>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	10,985,941	808,062	0	11,794,003
Buildings and Improvements	1,048,398,731	102,534,833	(145,971)	1,150,787,593
Furniture, Fixtures, and Equipment	764,783	1,803,741	0	2,568,524
Vehicles	923,967	0	0	923,967
Subtotal	<u>1,061,073,422</u>	<u>105,146,636</u>	<u>(145,971)</u>	<u>1,166,074,087</u>
Total Cost	<u>\$1,200,701,320</u>	<u>\$105,146,636</u>	<u>(\$103,297,919)</u>	<u>\$1,202,550,037</u>
<b>Accumulated Depreciation:</b>				
Class	June 30, 2014	Additions	Deletions	June 30, 2015
Land Improvements	(\$7,386,750)	(\$333,733)	\$0	(\$7,720,483)
Buildings and Improvements	(158,286,521)	(22,660,196)	13,666	(180,933,051)
Furniture, Fixtures, and Equipment	(136,350)	(1,043,891)	0	(1,180,241)
Vehicles	(838,634)	(29,610)	0	(868,244)
Total Depreciation	<u>(\$166,648,255)</u>	<u>(\$24,067,430) *</u>	<u>\$13,666</u>	<u>(\$190,702,019)</u>
<b>Net Value:</b>	<u>\$1,034,053,065</u>			<u>\$1,011,848,018</u>

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

Instruction:	
Regular	\$81,949
Special	16,629
Vocational	11,359
Support Services:	
Pupils	6,365
Instructional Staff	28,876
Fiscal Services	4,810
Operation and Maintenance of Plant	480,369
Central	120,322
Other Noninstructional Services	23,316,751
Total Depreciation Expense	<u>\$24,067,430</u>

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

##### **A. Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

##### **B. Plan Description**

##### ***School Employees Retirement System (SERS)***

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary. One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$8,470,013 for fiscal year 2015.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

##### ***State Teachers Retirement System (STRS)***

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$25,887,119 for fiscal year 2015.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

#### **C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$114,327,616	\$396,182,278	\$510,509,894
Proportion of the Net Pension Liability	2.259018%	1.6288072%	
Pension Expense	\$6,723,401	\$15,741,793	\$22,465,194

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$973,050	\$3,814,115	\$4,787,165
School District contributions subsequent to the measurement date	8,470,013	25,887,119	34,357,132
Total Deferred Outflows of Resources	<u>\$9,443,063</u>	<u>\$29,701,234</u>	<u>\$39,144,297</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$18,555,694	\$73,295,223	\$91,850,917
Total Deferred Inflows of Resources	<u>\$18,555,694</u>	<u>\$73,295,223</u>	<u>\$91,850,917</u>

\$34,357,132 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	(\$4,395,661)	(\$17,370,277)	(\$21,765,938)
2017	(4,395,661)	(17,370,277)	(21,765,938)
2018	(4,395,661)	(17,370,277)	(21,765,938)
2019	(4,395,661)	(17,370,277)	(21,765,938)
Total	<u>(\$17,582,644)</u>	<u>(\$69,481,108)</u>	<u>(\$87,063,752)</u>

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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#### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

##### **D. Actuarial Assumptions**

##### ***School Employees Retirement System (SERS)***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

#### **D. Actuarial Assumptions** (Continued)

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$163,111,536	\$114,327,615	\$73,296,121

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

##### D. Actuarial Assumptions (Continued)

##### *State Teachers Retirement System (STRS)*

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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#### NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

##### **D. Actuarial Assumptions** (Continued)

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$567,178,125	\$396,182,280	\$251,577,333

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 13 - POSTEMPLOYMENT BENEFITS**

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

Plan Description – The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2015, 0.82 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount (\$20,450 for 2015), pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

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

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$496,101, \$502,201 and \$427,799 respectively; which were equal to the required contributions for each year.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)**

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

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2015, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$1,526,841, and \$1,879,431 respectively; which were equal to the required contributions for each year.

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# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015*

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

Detail of the changes in the long-term debt of the District for the year ended June 30, 2015 is as follows:

		Restated Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	Amount Due Within One Year
School Improvement	0.970%	\$5,000,000	\$0	\$0	\$5,000,000	\$0
(Original Issue Amount = \$5,000,000)						
School Improvement Refunding	3.0-5.0%	55,885,000	0	(6,925,000)	48,960,000	7,270,000
(Original Issue Amount = \$69,405,000)						
School Improvement Refunding	4.0-5.25%	352,120,000	0	(17,520,000)	334,600,000	12,750,000
(Original Issue Amount = \$380,945,000)						
School Improvement Refunding	2.5-5.25%	96,120,000	0	(4,620,000)	91,500,000	4,820,000
(Original Issue Amount = \$104,900,000)						
Energy Conservation	5.439%	21,715,000	0	0	21,715,000	0
(Original Issue Amount = \$21,715,000)						
Energy Conservation	4.991%	3,000,000	0	0	3,000,000	0
(Original Issue Amount = \$3,000,000)						
Energy Conservation	5.150%	26,250,000	0	0	26,250,000	0
(Original Issue Amount = \$26,250,000)						
Sub-Total General Obligation Bonds		560,090,000	0	(29,065,000)	531,025,000	24,840,000
Premium General Obligation Bond		40,309,546	0	(2,600,493)	37,709,053	2,600,493
Total General Obligation Bonds		600,399,546	0	(31,665,493)	568,734,053	27,440,493
Capital Leases Payable	4.0-5.0%	104,875,000	0	(102,775,000)	2,100,000	1,025,000
2014 Refunding Lease	3.25-5.0%	0	72,490,000	0	72,490,000	0
2015 Refunding Lease	.45-3.75%	0	30,055,000	0	30,055,000	440,000
Sub-Total Capital Leases Payable		104,875,000	102,545,000	(102,775,000)	104,645,000	1,465,000
Premium on Capital Lease		0	9,675,995	0	9,675,995	537,555
Total Capital Leases Payable		104,875,000	112,220,995	(102,775,000)	114,320,995	2,002,555
State Teachers Retirement System Net Pension Liability		471,929,738	0	(75,747,458)	396,182,280	0
School Employees Retirement System Net Pension Liability		134,336,550	0	(20,008,935)	114,327,615	0
Total Net Pension Liability		606,266,288	0	(95,756,393)	510,509,895	0
Compensated Absences		43,321,632	1,972,038	(5,648,355)	39,645,315	7,009,729
Total Governmental Long-Term Debt		\$1,354,862,466	\$114,193,033	(\$235,845,241)	\$1,233,210,258	\$36,452,777

The School Improvement and School Improvement Refunding Bonds were issued as part of the District's ten-year, \$1.1 billion Facilities Master Plan (FMP) launched in May 2003 in order to renovate or constructed new a total of 49 schools. As discussed below, proceeds from the School Improvement Refunding Bonds were used to advance refund previously bonds issued under the FMP.

The Energy Conservation Bonds were issued as part of the District's \$56 million project for the installation of equipment and other upgrades to the schools for energy conservation and efficiency measures.

The bonds are general obligation bonds of the District and mature in varying amounts through 2032 and carry interest rates between 0.97% and 5.439%.

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

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

#### **NOTE 14- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

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

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2015 follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2016	\$24,840,000	\$26,735,746	\$51,575,746
2017	31,085,000	25,468,621	56,553,621
2018	27,395,000	24,089,496	51,484,496
2019	28,730,000	22,700,497	51,430,497
2020	30,175,000	21,223,903	51,398,903
2021-2025	150,260,000	85,254,301	235,514,301
2026-2030	149,530,000	43,896,363	193,426,363
2031-2032	89,010,000	6,019,406	95,029,406
Totals	<u>\$531,025,000</u>	<u>\$255,388,333</u>	<u>\$786,413,333</u>

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

In September 2006, the District partially refunded \$397,305,000 of General Obligation Bonds for School Improvement, dated May 6, 2003, original issue amount \$480,000,000, through the issuance of \$380,945,000 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$383,880,000 at June 30, 2015, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

In July 2005, the District refunded \$70,095,000 of General Obligation Bonds for School Improvement Series 2001, through the issuance of \$69,405,000 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$50,190,000, at June 30, 2015, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

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

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

#### **NOTE 14- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

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

In May 2010, the District refunded \$93,495,000 of General Obligation Bonds for School Improvement Series 2002, original issue amount of \$120,000,000, through the issuance of \$104,900,000 of School Improvement Refunding Bonds, Series 2010. Proceeds in the amount of \$103,964,664 from the 2010 Refunding Bond have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$60,645,000, at June 30, 2015, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

#### **NOTE 15 - CAPITAL LEASE COMMITMENT**

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

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2015:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2016	\$6,094,030
2017	5,909,435
2018	5,886,955
2019	5,890,910
2020	5,881,721
2021-2025	43,599,943
2026-2030	55,032,841
2031-2033	<u>33,939,538</u>
Minimum Lease Payments	162,235,373
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(57,590,373)</u>
Present value of minimum lease payments	<u><u>\$104,645,000</u></u>

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 15 - CAPITAL LEASE COMMITMENT (Continued)**

In October 2014, the District partially defeased capital leases (\$74,850,000) through the issuance of \$72,490,000 of capital leases (the "2014 Lease"). The net proceeds of the 2014 leases have been invested in obligations guaranteed as to both principal and interest by the United States 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 leases, which have an outstanding balance of \$74,850,000 at June 30, 2015 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 lease by \$4,945,982 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$3,501,785.

In February 2015, the District partially defeased capital leases (\$26,945,000) through the issuance of \$30,055,000 of capital leases (the "2015 Lease"). The net proceeds of the 2015 leases have been invested in obligations guaranteed as to both principal and interest by the United States 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 leases, which have an outstanding balance of \$26,945,000 at June 30, 2015 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 lease by \$953,415 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$716,894.

#### **NOTE 16 - 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 2015 the District participated in the Ohio Bureau of Workers Compensation Retrospective Rating Program, which requires a minimum 31% annual premium payment plus actual claims from District employees for the prior 10 calendar years. The cost for Workers Compensation claims paid in fiscal year 2015 was \$1,025,747. The premium cost paid in fiscal year 2015 was \$670,648. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2015, the Ohio Bureau of Workers Compensation established a reserve of \$1,982,066 for future claim payments.

## CINCINNATI CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

#### NOTE 16 - RISK MANAGEMENT (Continued)

The District is self insured for employee health care. The District began accounting for the self-insurance in a separate Internal Service Fund in 2001. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on a rate of 22.59% 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, 2015, the IBNR's were determined to be \$4,111,000.

Changes in the fund's claims liability amount in 2015 and 2014 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2014	\$3,110,000	46,499,181	(45,971,181)	\$3,638,000
2015	3,638,000	49,761,661	(49,288,661)	4,111,000

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,272,515. Dental Care Plus does not require an employee payroll deduction.

The CPS Wellness Works Program began January 1, 2011 and is managed by TriHealth (3<sup>rd</sup> party administrator), with a CPS Wellness Coordinator running the program and scheduling the events, such as health screenings, flu shots, walking logs, etc. Qualifying wellness activities are promoted on CPS's StaffNet home page and on TriHealth's website.

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

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

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **NOTE 17 – STATUTORY RESERVES**

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

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

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2014	\$0
Current Year Set-Aside Requirement	5,313,561
Current Year Offset Credits	(12,619,384)
Qualifying Disbursements	(32,369,173)
Total	<u>(\$39,674,996)</u>
Balance Carried Forward to FY 2016	<u>\$0</u>

While the qualifying disbursements during the fiscal year reduced the capital improvement set-aside amount to below zero, this amount may not be used to reduce the set-aside requirements of future fiscal years.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **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, 2015.

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

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

##### **C. Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

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

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### ***Required Supplemental Information Schedule of District's Proportionate Share of the Net Pension Liability Current Year***

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#### **State Teachers Retirement System**

Fiscal Year	<u>2014</u>
District's proportion of the net pension liability (asset)	1.62880719%
District's proportionate share of the net pension liability (asset)	\$396,182,278
District's covered-employee payroll	\$169,293,408
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	234.02%
Plan fiduciary net position as a percentage of the total pension liability	74.70%

Source: District Treasurer's Office and State Teachers Retirement System

#### **School Employees Retirement System**

Fiscal Year	<u>2014</u>
District's proportion of the net pension liability (asset)	2.259018%
District's proportionate share of the net pension liability (asset)	\$114,327,616
District's covered-employee payroll	\$66,015,094
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.18%
Plan fiduciary net position as a percentage of the total pension liability	71.70%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Required Supplemental Information  
Schedule of District Contributions  
Last Two Years***

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**State Teachers Retirement System**

Fiscal Year	2014	2015
Contractually required contribution	\$22,008,143	\$25,887,119
Contributions in relation to the contractually required contribution	22,008,143	25,887,119
Contribution deficiency (excess)	\$0	\$0
District's covered-employee payroll	\$169,293,408	\$184,907,993
Contributions as a percentage of covered-employee payroll	13.00%	14.00%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

Fiscal Year	2014	2015
Contractually required contribution	\$9,149,692	\$8,470,013
Contributions in relation to the contractually required contribution	9,149,692	8,470,013
Contribution deficiency (excess)	\$0	\$0
District's covered-employee payroll	\$66,015,094	\$64,264,135
Contributions as a percentage of covered-employee payroll	13.86%	13.18%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.



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

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

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

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

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

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

##### **Food Service Fund**

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

##### **Other Grants Fund**

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

##### **Classroom Facilities Maintenance Fund**

Used to account for the proceeds of a levy for the maintenance of facilities.

##### **Auxiliary Services Fund**

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

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

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

##### **ARRA Fund**

Used to account for ARRA (American Recovery and Reinvestment Act) funds as a result of the Federal economic stimulus package enacted in 2010 to help stabilize budgets and to avoid reductions in education and essential services. Monies are used primarily for education reform, enhanced student academic achievement and general school improvements with an emphasis on improved teacher effectiveness, technological systems and equipment and progress tracking. The District maintains three related funds (Education Stabilization, Technology – ARRA Title II-D (Formula) and (Competitive) and ARRA School Improvement – Title I) which are being reported as a single ARRA Fund.

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

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

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

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

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#### **Miscellaneous Federal Grants Fund**

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

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

The District maintains 29 special revenue funds. For reporting purposes, the District combines the 20 smallest funds into a fund titled "Other Special Revenue Funds". These combined funds account for less than 23% of expenditures for all special revenue funds.

### ***Capital Projects Funds***

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

#### **Permanent Improvement Fund**

Used to account for all transactions related to the acquiring, construction or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

#### **Building Fund**

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

#### **Replacement Fund**

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

#### **Classroom Facilities Fund**

Used to account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

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

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### ***Permanent Fund***

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

#### **Permanent Fund**

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

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 36,713,366	\$ 13,937,756	\$ 963,858	\$ 51,614,980
Investments	7,511	0	334,764	342,275
Receivables:				
Accounts	48,538	0	0	48,538
Intergovernmental - State and Local	5,508,971	0	0	5,508,971
Intergovernmental - Federal	25,976,988	0	0	25,976,988
Inventory of Supplies at Cost	82,844	0	0	82,844
Inventory Held for Resale	2,920	0	0	2,920
Restricted Assets:				
Cash and Cash Equivalents	0	103,384	0	103,384
<b>Total Assets</b>	<b>\$ 68,341,138</b>	<b>\$ 14,041,140</b>	<b>\$ 1,298,622</b>	<b>\$ 83,680,900</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,430,859	\$ 21,084	\$ 0	\$ 2,451,943
Accrued Wages and Benefits	5,166,162	0	0	5,166,162
Intergovernmental Payable	1,444,023	913,733	0	2,357,756
Interfund Loans Payable	16,824,696	463,418	0	17,288,114
<b>Total Liabilities</b>	<b>25,865,740</b>	<b>1,398,235</b>	<b>0</b>	<b>27,263,975</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	9,985,894	0	0	9,985,894
<b>Total Deferred Inflows of Resources</b>	<b>9,985,894</b>	<b>0</b>	<b>0</b>	<b>9,985,894</b>
<b>Fund Balances:</b>				
Nonspendable	85,764	0	768,034	853,798
Restricted	33,140,732	12,940,205	530,588	46,611,525
Unassigned	(736,992)	(297,300)	0	(1,034,292)
<b>Total Fund Balances</b>	<b>32,489,504</b>	<b>12,642,905</b>	<b>1,298,622</b>	<b>46,431,031</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 68,341,138</b>	<b>\$ 14,041,140</b>	<b>\$ 1,298,622</b>	<b>\$ 83,680,900</b>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Tuition	\$ 19,332	\$ 0	\$ 0	\$ 19,332
Investment Earnings	0	36,058	12,882	48,940
Food Services	1,453,317	0	0	1,453,317
Intergovernmental - State	26,310,796	0	0	26,310,796
Intergovernmental - Federal	70,236,525	0	0	70,236,525
All Other Revenue	6,032,870	4,179,801	0	10,212,671
<b>Total Revenue</b>	<b>104,052,840</b>	<b>4,215,859</b>	<b>12,882</b>	<b>108,281,581</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	3,657,829	0	0	3,657,829
Special	24,040,091	0	0	24,040,091
Vocational	1,303,050	0	0	1,303,050
Other	838,464	0	0	838,464
Supporting Services:				
Pupils	1,705,700	0	0	1,705,700
Instructional Staff	27,188,650	0	0	27,188,650
Administration	4,873,647	0	0	4,873,647
Fiscal Services	806,199	1,501	0	807,700
Business	61,488	0	0	61,488
Operation & Maintenance of Plant	3,639,106	3,898,968	0	7,538,074
Pupil Transportation	41,655	0	0	41,655
Central	451,222	0	0	451,222
Operation of Non-Instructional Services	35,074,990	3,878,466	58,140	39,011,596
Extracurricular Activities	2,287,581	0	0	2,287,581
Capital Outlay	285,380	5,059,924	0	5,345,304
<b>Total Expenditures</b>	<b>106,255,052</b>	<b>12,838,859</b>	<b>58,140</b>	<b>119,152,051</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,202,212)	(8,623,000)	(45,258)	(10,870,470)

(Continued)

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,556,495	48,502	0	4,604,997
Transfers Out	(2,489,382)	0	0	(2,489,382)
<b>Total Other Financing Sources (Uses)</b>	<u>2,067,113</u>	<u>48,502</u>	<u>0</u>	<u>2,115,615</u>
Net Change in Fund Balance	(135,099)	(8,574,498)	(45,258)	(8,754,855)
<b>Fund Balances at Beginning of Year</b>	<u>32,624,603</u>	<u>21,217,403</u>	<u>1,343,880</u>	<u>55,185,886</u>
<b>Fund Balances End of Year</b>	<u>\$ 32,489,504</u>	<u>\$ 12,642,905</u>	<u>\$ 1,298,622</u>	<u>\$ 46,431,031</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2015

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 10,068,602	\$ 4,117,897	\$ 5,090,856	\$ 1,783,922
Investments	0	0	0	0
Receivables:				
Accounts	456	281	0	40,543
Intergovernmental - State and Local	218,965	1,703,918	0	2,761,895
Intergovernmental - Federal	0	0	0	0
Inventory of Supplies at Cost	82,844	0	0	0
Inventory Held for Resale	2,920	0	0	0
<b>Total Assets</b>	<u>\$ 10,373,787</u>	<u>\$ 5,822,096</u>	<u>\$ 5,090,856</u>	<u>\$ 4,586,360</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 120,458	\$ 513,264	\$ 7,875	\$ 537,413
Accrued Wages and Benefits	852,643	236,866	0	520,174
Intergovernmental Payable	238,327	66,208	0	145,396
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<u>1,211,428</u>	<u>816,338</u>	<u>7,875</u>	<u>1,202,983</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	8,100	1,042,050	0	0
<b>Total Deferred Inflows of Resources</b>	<u>8,100</u>	<u>1,042,050</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>				
Nonspendable	85,764	0	0	0
Restricted	9,068,495	3,963,708	5,082,981	3,383,377
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<u>9,154,259</u>	<u>3,963,708</u>	<u>5,082,981</u>	<u>3,383,377</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 10,373,787</u>	<u>\$ 5,822,096</u>	<u>\$ 5,090,856</u>	<u>\$ 4,586,360</u>

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

Title VI-B	ARRA	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 1,375,680	\$ 899,758	\$ 6,277,866	\$ 597,519	\$ 6,501,266	\$ 36,713,366
0	0	0	0	7,511	7,511
790	0	0	0	6,468	48,538
0	0	0	0	824,193	5,508,971
2,425,907	1,425,062	15,372,327	592,350	6,161,342	25,976,988
0	0	0	0	0	82,844
0	0	0	0	0	2,920
<u>\$ 3,802,377</u>	<u>\$ 2,324,820</u>	<u>\$ 21,650,193</u>	<u>\$ 1,189,869</u>	<u>\$ 13,500,780</u>	<u>\$ 68,341,138</u>
\$ 120,598	\$ 99,480	\$ 329,255	\$ 113,976	\$ 588,540	\$ 2,430,859
1,105,935	33,286	1,523,979	12,469	880,810	5,166,162
309,126	9,304	425,974	3,485	246,203	1,444,023
1,236,041	1,337,168	11,290,898	1,020,573	1,940,016	16,824,696
<u>2,771,700</u>	<u>1,479,238</u>	<u>13,570,106</u>	<u>1,150,503</u>	<u>3,655,569</u>	<u>25,865,740</u>
397,141	1,030,055	3,196,050	591,885	3,720,613	9,985,894
<u>397,141</u>	<u>1,030,055</u>	<u>3,196,050</u>	<u>591,885</u>	<u>3,720,613</u>	<u>9,985,894</u>
0	0	0	0	0	85,764
633,536	0	4,884,037	0	6,124,598	33,140,732
0	(184,473)	0	(552,519)	0	(736,992)
<u>633,536</u>	<u>(184,473)</u>	<u>4,884,037</u>	<u>(552,519)</u>	<u>6,124,598</u>	<u>32,489,504</u>
<u>\$ 3,802,377</u>	<u>\$ 2,324,820</u>	<u>\$ 21,650,193</u>	<u>\$ 1,189,869</u>	<u>\$ 13,500,780</u>	<u>\$ 68,341,138</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, 2015

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
<b>Revenues:</b>				
Tuition	\$ 0	\$ 19,332	\$ 0	\$ 0
Food Services	1,453,317	0	0	0
Intergovernmental - State	518,778	0	0	13,340,979
Intergovernmental - Federal	14,700,544	0	0	0
All Other Revenue	0	2,601,259	3,149	14,351
<b>Total Revenue</b>	<b>16,672,639</b>	<b>2,620,591</b>	<b>3,149</b>	<b>13,355,330</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	605,959	0	0
Special	0	425,787	0	0
Vocational	0	24,759	0	0
Other	0	172,638	0	0
Supporting Services:				
Pupils	0	75,484	0	0
Instructional Staff	0	2,372,598	0	0
Administration	0	422,828	0	0
Fiscal Services	0	23,652	0	0
Business	60,859	0	0	0
Operation & Maintenance of Plant	494,415	329,988	2,740,778	0
Pupil Transportation	0	0	0	0
Central	78,061	62,180	0	0
Operation of Non-Instructional Services	16,444,621	297,301	0	11,194,562
Extracurricular Activities	0	227,163	0	0
Capital Outlay	0	21,640	250,340	0
<b>Total Expenditures</b>	<b>17,077,956</b>	<b>5,061,977</b>	<b>2,991,118</b>	<b>11,194,562</b>
Excess (Deficiency) of Revenues Over Expenditures	(405,317)	(2,441,386)	(2,987,969)	2,160,768
<b>Other Financing Sources (Uses):</b>				
Transfers In	47,954	324,238	3,254,156	0
Transfers Out	0	(2,096,248)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>47,954</b>	<b>(1,772,010)</b>	<b>3,254,156</b>	<b>0</b>
Net Change in Fund Balance	(357,363)	(4,213,396)	266,187	2,160,768
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>9,511,622</b>	<b>8,177,104</b>	<b>4,816,794</b>	<b>1,222,609</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 9,154,259</b>	<b>\$ 3,963,708</b>	<b>\$ 5,082,981</b>	<b>\$ 3,383,377</b>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

Title VI-B	ARRA	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,332
0	0	0	0	0	1,453,317
0	0	0	0	12,451,039	26,310,796
9,239,166	1,503,888	26,806,774	1,410,833	16,575,320	70,236,525
0	0	0	0	3,414,111	6,032,870
9,239,166	1,503,888	26,806,774	1,410,833	32,440,470	104,052,840
0	195,143	27	16,677	2,840,023	3,657,829
5,235,118	0	17,986,740	0	392,446	24,040,091
120,972	0	0	0	1,157,319	1,303,050
53,140	0	67,718	0	544,968	838,464
886,167	0	217,177	10,264	516,608	1,705,700
101,148	1,093,066	3,850,324	1,420,510	18,351,004	27,188,650
1,195,654	4,556	941,208	0	2,309,401	4,873,647
172,910	2,558	481,863	0	125,216	806,199
0	0	629	0	0	61,488
238	0	2,965	0	70,722	3,639,106
0	0	40,655	0	1,000	41,655
0	0	0	38,000	272,981	451,222
1,487,942	0	1,904,644	93,076	3,652,844	35,074,990
0	0	0	0	2,060,418	2,287,581
0	0	0	13,400	0	285,380
9,253,289	1,295,323	25,493,950	1,591,927	32,294,950	106,255,052
(14,123)	208,565	1,312,824	(181,094)	145,520	(2,202,212)
0	0	0	645,799	284,348	4,556,495
0	(118)	0	(9,192)	(383,824)	(2,489,382)
0	(118)	0	636,607	(99,476)	2,067,113
(14,123)	208,447	1,312,824	455,513	46,044	(135,099)
647,659	(392,920)	3,571,213	(1,008,032)	6,078,554	32,624,603
\$ 633,536	\$ (184,473)	\$ 4,884,037	\$ (552,519)	\$ 6,124,598	\$ 32,489,504

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2015**

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	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 166,118	\$ 1,177	\$ 13,770,461	\$ 13,937,756
Receivables:				
Cash and Cash Equivalents	0	0	103,384	103,384
<b>Total Assets</b>	<u>\$ 166,118</u>	<u>\$ 1,177</u>	<u>\$ 13,873,845</u>	<u>\$ 14,041,140</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 21,084	\$ 21,084
Intergovernmental Payable	0	0	913,733	913,733
Interfund Loans Payable	463,418	0	0	463,418
<b>Total Liabilities</b>	<u>463,418</u>	<u>0</u>	<u>934,817</u>	<u>1,398,235</u>
<b>Fund Balances:</b>				
Restricted	0	1,177	12,939,028	12,940,205
Unassigned	(297,300)	0	0	(297,300)
<b>Total Fund Balances</b>	<u>(297,300)</u>	<u>1,177</u>	<u>12,939,028</u>	<u>12,642,905</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 166,118</u>	<u>\$ 1,177</u>	<u>\$ 13,873,845</u>	<u>\$ 14,041,140</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, 2015

	Permanent Improvement	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>					
Investment Earnings	\$ 25,498	\$ 8,747	\$ 0	\$ 1,813	\$ 36,058
All Other Revenue	0	4,179,801	0	0	4,179,801
<b>Total Revenue</b>	<u>25,498</u>	<u>4,188,548</u>	<u>0</u>	<u>1,813</u>	<u>4,215,859</u>
<b>Expenditures:</b>					
Current:					
Supporting Services:					
Fiscal Services	0	1,501	0	0	1,501
Operation & Maintenance of Plant	3,898,968	0	0	0	3,898,968
Operation of Non-Instructional Services	0	0	0	3,878,466	3,878,466
Capital Outlay	668,898	1,816,679	0	2,574,347	5,059,924
<b>Total Expenditures</b>	<u>4,567,866</u>	<u>1,818,180</u>	<u>0</u>	<u>6,452,813</u>	<u>12,838,859</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,542,368)	2,370,368	0	(6,451,000)	(8,623,000)
<b>Other Financing Sources (Uses):</b>					
Transfers In	48,502	0	0	0	48,502
<b>Total Other Financing Sources (Uses)</b>	<u>48,502</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,502</u>
Net Change in Fund Balance	(4,493,866)	2,370,368	0	(6,451,000)	(8,574,498)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<u>4,493,866</u>	<u>(2,667,668)</u>	<u>1,177</u>	<u>19,390,028</u>	<u>21,217,403</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 0</u>	<u>\$ (297,300)</u>	<u>\$ 1,177</u>	<u>\$ 12,939,028</u>	<u>\$ 12,642,905</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Funds – General Fund  
For the Fiscal Year Ended June 30, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 467,244,453</u>	<u>\$ 468,784,492</u>	<u>\$ 530,681,322</u>	<u>\$ 61,896,830</u>
Total Expenditures and Other Financing Uses	<u>519,676,677</u>	<u>520,371,360</u>	<u>524,383,215</u>	<u>(4,011,855)</u>
Net Change in Fund Balance	(52,432,224)	(51,586,868)	6,298,107	57,884,975
Fund Balances, Beginning of Year	71,643,857	71,643,857	71,643,857	0
Prior Year Encumbrances	<u>21,359,110</u>	<u>21,359,110</u>	<u>21,359,110</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 40,570,743</u>	<u>\$ 41,416,099</u>	<u>\$ 99,301,074</u>	<u>\$ 57,884,975</u>

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

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Funds – Debt Service Fund  
For the Fiscal Year Ended June 30, 2015***

---

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 175,576,415</u>	<u>\$ 176,606,415</u>	<u>\$ 1,030,000</u>
Total Expenditures			
and Other Financing Uses	<u>179,543,704</u>	<u>179,543,704</u>	<u>0</u>
Net Change in Fund Balance	(3,967,289)	(2,937,289)	1,030,000
Fund Balances, Beginning of Year	<u>28,132,698</u>	<u>28,132,698</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 24,165,409</u></u>	<u><u>\$ 25,195,409</u></u>	<u><u>\$ 1,030,000</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

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	<b>FOOD SERVICE FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 18,060,916</u>	<u>\$ 16,640,347</u>	<u>\$ (1,420,569)</u>
Total Expenditures and Other Financing Uses	<u>20,752,946</u>	<u>20,752,946</u>	<u>0</u>
Net Change in Fund Balance	(2,692,030)	(4,112,599)	1,420,569
Fund Balances, Beginning of Year	7,235,457	7,235,457	0
Prior Year Encumbrances	<u>2,489,412</u>	<u>2,489,412</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 7,032,839</u>	<u>\$ 5,612,270</u>	<u>\$ 1,420,569</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>OTHER GRANTS FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 3,075,873</u>	<u>\$ 3,400,111</u>	<u>\$ 324,238</u>
Total Expenditures and Other Financing Uses	<u>7,601,105</u>	<u>8,230,553</u>	<u>(629,448)</u>
Net Change in Fund Balance	(4,525,232)	(4,830,442)	(305,210)
Fund Balances, Beginning of Year	6,466,943	6,466,943	0
Prior Year Encumbrances	<u>1,019,891</u>	<u>1,019,891</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 2,961,602</u>	<u>\$ 2,656,392</u>	<u>\$ (305,210)</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 3,264,428</u>	<u>\$ 3,264,428</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>4,606,946</u>	<u>4,606,946</u>	<u>0</u>
Net Change in Fund Balance	(1,342,518)	(1,342,518)	0
Fund Balances, Beginning of Year	4,174,028	4,174,028	0
Prior Year Encumbrances	<u>675,178</u>	<u>675,178</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 3,506,688</u></u>	<u><u>\$ 3,506,688</u></u>	<u><u>\$ 0</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>AUXILIARY SERVICES FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 10,601,057</u>	<u>\$ 10,601,057</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>12,017,017</u>	<u>12,017,017</u>	<u>0</u>
Net Change in Fund Balance	(1,415,960)	(1,415,960)	0
Fund Balances, Beginning of Year	1,293,713	1,293,713	0
Prior Year Encumbrances	<u>553,687</u>	<u>553,687</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 431,440</u>	<u>\$ 431,440</u>	<u>\$ 0</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>TITLE VI-B FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 9,853,382</u>	<u>\$ 9,853,382</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>10,799,773</u>	<u>10,799,678</u>	<u>95</u>
Net Change in Fund Balance	(946,391)	(946,296)	95
Fund Balances, Beginning of Year	422,836	422,836	0
Prior Year Encumbrances	<u>948,558</u>	<u>948,558</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 425,003</u>	<u>\$ 425,098</u>	<u>\$ 95</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>ARRA FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 2,573,280</u>	<u>\$ 2,487,472</u>	<u>\$ (85,808)</u>
Total Expenditures and Other Financing Uses	<u>3,005,568</u>	<u>3,005,399</u>	<u>169</u>
Net Change in Fund Balance	(432,288)	(517,927)	(85,639)
Fund Balances, Beginning of Year	(47,834)	(47,834)	0
Prior Year Encumbrances	<u>480,122</u>	<u>480,122</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ (85,639)</u>	<u>\$ (85,639)</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

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	<b>CHAPTER I FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 30,003,122</u>	<u>\$ 30,003,122</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>34,534,141</u>	<u>34,534,141</u>	<u>0</u>
Net Change in Fund Balance	(4,531,019)	(4,531,019)	0
Fund Balances, Beginning of Year	1,938,050	1,938,050	0
Prior Year Encumbrances	<u>3,638,891</u>	<u>3,638,891</u>	<u>0</u>
Fund Balances, End of Year	<u><u>\$ 1,045,922</u></u>	<u><u>\$ 1,045,922</u></u>	<u><u>\$ 0</u></u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>MISCELLANEOUS FEDERAL GRANTS FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 3,076,531</u>	<u>\$ 3,136,993</u>	<u>\$ 60,462</u>
Total Expenditures and Other Financing Uses	<u>3,337,967</u>	<u>3,347,159</u>	<u>(9,192)</u>
Net Change in Fund Balance	(261,436)	(210,166)	51,270
Fund Balances, Beginning of Year	66,697	66,697	0
Prior Year Encumbrances	<u>194,739</u>	<u>194,739</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 51,270</u>	<u>\$ 51,270</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>OTHER SPECIAL REVENUE FUNDS</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues and Other Financing Sources	<u>\$ 33,882,857</u>	<u>\$ 34,159,877</u>	<u>\$ 277,020</u>
Total Expenditures and Other Financing Uses	<u>47,671,225</u>	<u>47,996,549</u>	<u>(325,324)</u>
Net Change in Fund Balance	(13,788,368)	(13,836,672)	(48,304)
Fund Balances, Beginning of Year	3,246,623	3,246,623	0
Prior Year Encumbrances	<u>14,191,078</u>	<u>14,191,078</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 3,649,333</u>	<u>\$ 3,601,029</u>	<u>\$ (48,304)</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>PERMANENT IMPROVEMENT FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 122,502</u>	<u>\$ 74,000</u>	<u>\$ (48,502)</u>
Total Expenditures			
and Other Financing Uses	<u>4,995,290</u>	<u>4,946,788</u>	<u>48,502</u>
Net Change in Fund Balance	(4,872,788)	(4,872,788)	0
Fund Balances, Beginning of Year	745,413	745,413	0
Prior Year Encumbrances	<u>4,127,375</u>	<u>4,127,375</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2015***

---

	<b>BUILDING FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	<u>\$ 4,675,688</u>	<u>\$ 4,675,688</u>	<u>\$ 0</u>
Total Expenditures			
and Other Financing Uses	<u>7,991,664</u>	<u>7,991,664</u>	<u>0</u>
Net Change in Fund Balance	(3,315,976)	(3,315,976)	0
Fund Balances, Beginning of Year	1,046,885	1,046,885	0
Prior Year Encumbrances	<u>2,269,091</u>	<u>2,269,091</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2015***

---

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

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2015***

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	<b>CLASSROOM FACILITIES FUND</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Total Revenues			
and Other Financing Sources	\$ 1,813	\$ 1,841	\$ 28
Total Expenditures			
and Other Financing Uses	9,458,526	6,923,045	2,535,481
Net Change in Fund Balance	(9,456,713)	(6,921,204)	2,535,509
Fund Balances, Beginning of Year	11,792,025	11,792,025	0
Prior Year Encumbrances	8,580,101	8,580,101	0
Fund Balances, End of Year	<u>\$ 10,915,413</u>	<u>\$ 13,450,922</u>	<u>\$ 2,535,509</u>

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**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Fiscal Year Ended June 30, 2015***

---

	<i>PERMANENT FUND</i>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 8,082</u>	<u>\$ 8,082</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>58,773</u>	<u>58,773</u>	<u>0</u>
Net Change in Fund Balance	(50,691)	(50,691)	0
Fund Balances, Beginning of Year	1,042,397	1,042,397	0
Prior Year Encumbrances	<u>5,713</u>	<u>5,713</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 997,419</u>	<u>\$ 997,419</u>	<u>\$ 0</u>

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

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### ***Fiduciary Funds***

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

#### ***Agency Fund***

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##### **Student Managed Activity Fund**

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

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

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***Schedule of Changes in Assets and Liabilities***  
***Agency Fund***  
***For the Fiscal Year Ended June 30, 2015***

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	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Equity in Pooled Cash and Investments	\$80,530	\$181,178	(\$137,344)	\$124,364
Total Assets	<u>\$80,530</u>	<u>\$181,178</u>	<u>(\$137,344)</u>	<u>\$124,364</u>
Liabilities:				
Due to Students	\$80,530	\$181,178	(\$137,344)	\$124,364
Total Liabilities	<u>\$80,530</u>	<u>\$181,178</u>	<u>(\$137,344)</u>	<u>\$124,364</u>



# Statistical Section





## ***STATISTICAL TABLES***

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

### ***Contents***

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

**Sources Note:**

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

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

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

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$163,202,797	\$218,829,785	\$273,865,981	\$326,129,887
Restricted for:				
Capital Projects	47,111,594	113,428,438	73,551,262	31,994,427
Debt Service	22,755,122	27,315,500	16,959,885	5,484,225
Permanent Funds:				
Expendable	350,786	476,939	497,397	457,573
Nonexpendable	768,034	768,034	768,034	768,034
State and Federal Grants	16,034,254	9,754,569	0	0
Unrestricted	91,543,314	52,591,559	40,306,909	90,286,275
Total Governmental Activities Net Position	<u>\$341,765,901</u>	<u>\$423,164,824</u>	<u>\$405,949,468</u>	<u>\$455,120,421</u>

Source: District Treasurer's Office

\* Restated for implementation of GASB 68, Accounting and Reporting for Pensions.

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

*					
2010	2011	2012	2013	2014	2015
\$353,689,363	\$407,388,120	\$389,607,776	\$371,260,025	\$378,833,045	\$373,215,575
707,188	2,109,383	3,952,865	0	0	0
14,483,686	1,898,503	30,104,898	35,475,962	37,985,018	36,269,930
465,598	498,731	487,719	551,280	575,846	530,588
768,034	768,034	768,034	768,034	768,034	768,034
15,968,403	14,088,445	19,478,500	38,853,156	37,821,760	36,186,780
148,052,663	189,176,164	167,348,569	171,671,926	(398,789,436)	(374,529,382)
<u>\$534,134,935</u>	<u>\$615,927,380</u>	<u>\$611,748,361</u>	<u>\$618,580,383</u>	<u>\$57,194,267</u>	<u>\$72,441,525</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities				
Instruction				
Regular	\$223,297,113	\$182,146,228	\$175,998,596	\$218,216,256
Special	80,390,504	69,266,976	72,421,383	72,987,430
Vocational	6,209,179	6,693,031	7,216,845	5,796,782
Other	4,703,448	32,417,953	40,553,924	677,824
Support Services				
Pupils	26,628,386	27,257,081	23,484,223	25,454,794
Instructional Staff	33,757,059	42,835,422	44,812,063	44,172,580
Board of Education	308,211	347,852	403,963	443,575
Administration	33,272,546	34,880,780	33,167,537	33,399,805
Fiscal Services	3,889,606	3,306,297	2,905,859	2,982,641
Business	1,372,454	1,071,616	1,217,184	1,382,889
Operation and Maintenance of Plant	41,446,421	41,057,796	40,791,667	41,344,253
Pupil Transportation	24,928,584	22,799,539	23,321,223	29,877,750
Central	14,031,779	15,159,365	19,888,633	19,309,398
Non-Instructional Services	26,527,842	30,191,515	32,584,206	34,574,667
Extracurricular Activities	5,080,509	5,323,580	5,066,751	6,727,253
Interest and Fiscal Charges	35,493,871	27,316,555	36,789,707	35,008,872
<i>Total Primary Government Expenses</i>	<u>\$561,337,512</u>	<u>\$542,071,586</u>	<u>\$560,623,764</u>	<u>\$572,356,769</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
Instruction	\$4,258,848	\$7,575,641	\$4,295,206	\$6,799,768
Support Services	2,518,277	4,481,719	7,278,344	7,001,505
Non-Instructional Services	3,361,377	2,483,338	2,262,012	2,183,221
Extracurricular Activities	713,347	851,103	750,852	1,947,178
Operating Grants and Contributions	108,096,560	109,768,466	127,168,655	126,199,712
Capital Grants and Contributions	243,573	81,068,698	719,912	0
<i>Total Primary Government Program Revenues</i>	<u>119,191,982</u>	<u>206,228,965</u>	<u>142,474,981</u>	<u>144,131,384</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(442,145,530)</u>	<u>(335,842,621)</u>	<u>(418,148,783)</u>	<u>(428,225,385)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$442,145,530)</u>	<u>(\$335,842,621)</u>	<u>(\$418,148,783)</u>	<u>(\$428,225,385)</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

2010	2011	2012	2013	2014	2015
\$215,218,926	\$212,617,087	\$221,930,107	\$216,412,633	\$227,470,011	\$224,826,991
77,739,067	77,918,902	73,856,224	74,992,946	68,794,765	75,109,882
6,839,266	7,046,640	3,793,083	3,789,648	3,367,142	4,302,419
324,254	613,450	577,036	1,076,290	825,306	965,911
29,830,994	29,702,228	27,942,924	35,346,133	38,352,619	36,943,283
39,819,027	49,720,996	46,927,907	36,716,764	21,048,281	35,105,522
339,142	343,414	398,130	380,683	389,815	406,132
35,453,480	35,904,173	29,292,929	32,566,236	29,462,944	32,228,666
6,833,916	7,006,980	7,369,914	6,796,344	8,209,680	8,972,208
1,196,647	1,244,023	1,607,145	1,122,066	1,300,440	2,051,368
41,693,266	47,998,030	47,844,700	48,446,538	43,099,032	46,511,084
31,574,052	27,155,167	30,269,005	31,522,565	29,401,931	32,192,259
10,143,405	15,024,579	18,435,513	19,827,610	18,914,522	32,127,115
37,670,655	43,667,894	46,614,539	51,851,575	55,719,694	62,166,963
6,370,590	5,605,603	7,140,306	3,810,106	5,406,211	5,751,797
31,351,857	34,495,353	34,028,545	37,947,116	33,103,064	31,162,366
<u>\$572,398,544</u>	<u>\$596,064,519</u>	<u>\$598,028,007</u>	<u>\$602,605,253</u>	<u>\$584,865,457</u>	<u>\$630,823,966</u>
\$8,363,276	\$9,295,532	\$5,150,008	\$12,655,589	\$8,460,298	\$12,868,018
5,914,193	6,448,862	6,749,598	5,685,337	4,306,981	2,397,627
1,977,207	2,035,610	2,117,529	1,522,720	1,994,311	1,665,441
1,906,058	4,184,264	1,912,546	1,726,634	2,838,688	3,577,248
119,193,346	107,155,658	86,060,381	85,983,762	74,439,049	90,857,795
11,920,000	56,581,124	5,908,555	795,249	825,988	301,335
<u>149,274,080</u>	<u>185,701,050</u>	<u>107,898,617</u>	<u>108,369,291</u>	<u>92,865,315</u>	<u>111,667,464</u>
<u>(423,124,464)</u>	<u>(410,363,469)</u>	<u>(490,129,390)</u>	<u>(494,235,962)</u>	<u>(492,000,142)</u>	<u>(519,156,502)</u>
<u>(\$423,124,464)</u>	<u>(\$410,363,469)</u>	<u>(\$490,129,390)</u>	<u>(\$494,235,962)</u>	<u>(\$492,000,142)</u>	<u>(\$519,156,502)</u>

(Continued)

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

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

	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$315,532,788	\$189,107,096	\$200,054,022	\$265,885,389
Debt Service	34,823,550	25,823,528	33,356,387	23,498,488
Revenue in Lieu of Taxes	15,745,319	11,299,519	10,948,197	10,919,337
Grants and Entitlements not				
Restricted to Specific Programs	146,356,573	157,791,118	150,048,088	165,610,526
Investment Earnings	28,554,158	29,904,739	30,097,980	10,097,650
Miscellaneous	6,131,207	3,315,544	12,818,225	1,384,948
<i>Total Primary Government</i>	<u>\$547,143,595</u>	<u>\$417,241,544</u>	<u>\$437,322,899</u>	<u>\$477,396,338</u>
<b>Change in Net Position</b>				
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u>\$104,998,065</u>	<u>\$81,398,923</u>	<u>\$19,174,116</u>	<u>\$49,170,953</u>

Source: District Treasurer's Office

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

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2010	2011	2012	2013	2014	2015
\$255,859,268	\$250,219,075	\$225,246,490	\$249,843,745	\$244,261,485	\$258,835,153
30,695,071	15,071,352	47,063,326	31,761,784	31,109,541	27,735,023
17,497,711	23,453,928	21,431,724	26,729,545	28,579,107	26,478,019
192,804,062	197,164,514	185,176,443	189,651,837	200,504,547	216,053,122
2,452,857	1,298,188	608,212	445,696	822,672	1,422,750
2,830,009	4,948,857	6,424,176	2,635,377	445,127	3,879,693
<u>\$502,138,978</u>	<u>\$492,155,914</u>	<u>\$485,950,371</u>	<u>\$501,067,984</u>	<u>\$505,722,479</u>	<u>\$534,403,760</u>
<u>\$79,014,514</u>	<u>\$81,792,445</u>	<u>(\$4,179,019)</u>	<u>\$6,832,022</u>	<u>\$13,722,337</u>	<u>\$15,247,258</u>

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

	2006	2007	2008	2009
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	77,952,939	(94,708,835)	44,175,345	(75,520,891)
Unreserved	10,401,021	(9,416,133)	(2,461,469)	10,296,495
<i>Total General Fund</i>	<u>88,353,960</u>	<u>(104,124,968)</u>	<u>41,713,876</u>	<u>(65,224,396)</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	83,004,473	123,506,930	110,989,299	149,613,198
Unreserved, Undesignated in:				
Special Revenue Funds	12,122,469	5,072,611	(6,516,820)	(5,327,271)
Capital Projects Funds	489,401,006	452,438,137	371,811,911	246,422,216
Permanent Fund	397,465	476,939	497,397	457,573
<i>Total All Other Governmental Funds</i>	<u>584,925,413</u>	<u>581,494,617</u>	<u>476,781,787</u>	<u>391,165,716</u>
<i>Total Governmental Funds</i>	<u><u>\$673,279,373</u></u>	<u><u>\$477,369,649</u></u>	<u><u>\$518,495,663</u></u>	<u><u>\$325,941,320</u></u>

Source: District Treasurer's Office

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

**CINCINNATI CITY SCHOOL DISTRICT, OHIO**

2010	2011	2012	2013	2014	2015
\$0	\$0	\$190,019	\$974,486	\$557,803	\$485,160
0	11,987,019	5,338,695	8,521,334	19,161,684	12,599,416
0	136,044,132	125,977,166	148,757,794	141,975,346	157,991,332
(52,610,506)	0	0	0	0	0
45,882,306	0	0	0	0	0
(6,728,200)	148,031,151	131,505,880	158,253,614	161,694,833	171,075,908
0	1,276,452	892,636	920,196	904,636	853,798
0	265,207,563	185,566,497	112,333,005	94,935,693	81,797,080
0	(1,293,974)	(1,644,897)	(3,993,282)	(4,068,620)	(1,034,292)
171,293,861	0	0	0	0	0
5,435,099	0	0	0	0	0
246,788,752	0	0	0	0	0
461,968	0	0	0	0	0
423,979,680	265,190,041	184,814,236	109,259,919	91,771,709	81,616,586
\$417,251,480	\$413,221,192	\$316,320,116	\$267,513,533	\$253,466,542	\$252,692,494

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Local Sources:				
Taxes	\$322,180,008	\$196,490,568	\$248,560,390	\$277,728,502
Tuition	2,474,762	2,513,899	2,436,623	1,750,008
In Lieu of Taxes	15,743,651	11,299,537	10,949,847	10,919,337
Investment Earnings	26,498,394	29,948,910	31,299,042	10,996,692
Food Services	2,509,797	2,344,784	2,183,555	2,116,608
Intermediate Sources	0	0	0	0
Intergovernmental - State	205,315,594	213,837,132	218,696,480	252,144,552
Intergovernmental - Federal	68,695,133	65,064,133	69,088,928	68,590,338
All Other Revenue	15,075,461	13,762,600	22,821,498	15,545,489
<b>Total Revenue</b>	<b>658,492,800</b>	<b>535,261,563</b>	<b>606,036,363</b>	<b>639,791,526</b>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular	216,803,272	182,770,612	171,397,040	208,745,852
Special	78,112,990	70,735,576	71,042,866	71,892,127
Vocational	5,883,214	6,394,581	6,635,484	5,474,802
Other Instruction	1,192,485	31,921,738	38,748,252	673,707
Supporting Services:				
Pupils	25,877,478	27,326,156	23,025,194	24,873,130
Instructional Staff	33,425,507	42,360,630	44,151,479	43,556,762
Board of Education	300,309	348,361	398,416	432,078
Administration	73,453,592	35,301,777	32,704,791	33,010,049
Fiscal Services	3,747,809	3,294,436	2,853,139	2,924,642
Business	1,318,991	1,071,324	1,198,346	1,338,302
Operation and Maintenance of Plant	40,489,901	41,047,302	39,830,779	40,587,586
Pupil Transportation	24,710,901	23,234,772	23,043,622	29,623,267
Central	14,421,486	14,965,653	18,826,176	18,714,730
Non-Instructional Services	24,583,057	27,119,187	25,947,645	25,494,720
Extracurricular Activities	4,952,035	5,348,011	4,973,632	6,616,085
Capital Outlay	109,456,508	121,280,997	128,811,748	121,159,988
Debt Service:				
Principal Retirement	44,970,000	26,350,000	19,685,000	19,900,000
Interest and Fiscal Charges	38,910,773	35,072,745	39,759,435	38,011,339
Advance Refunding Escrow	0	0	0	0
<b>Total Expenditures</b>	<b>742,610,308</b>	<b>695,943,858</b>	<b>693,033,044</b>	<b>693,029,166</b>
Excess (Deficiency) of Revenues Over Expenditures	(84,117,508)	(160,682,295)	(86,996,681)	(53,237,640)

# *CINCINNATI CITY SCHOOL DISTRICT, OHIO*

2010	2011	2012	2013	2014	2015
\$281,808,058	\$265,214,494	\$283,821,219	\$283,096,196	\$285,258,719	\$285,717,387
2,460,003	1,897,589	2,302,247	2,491,311	2,807,829	4,802,184
17,497,711	23,453,928	21,430,669	26,730,600	28,578,036	26,479,090
3,037,728	1,358,433	644,610	443,349	797,567	1,407,193
1,909,984	1,875,863	1,707,174	1,446,185	1,440,373	1,453,317
16,270,249	0	0	495,048	0	0
239,861,668	258,430,367	201,246,287	206,336,075	214,993,720	240,124,155
98,229,824	99,735,718	76,002,666	76,749,168	68,603,101	77,003,065
13,513,339	23,474,337	18,648,335	17,902,623	14,014,220	17,441,684
<u>674,588,564</u>	<u>675,440,729</u>	<u>605,803,207</u>	<u>615,690,555</u>	<u>616,493,565</u>	<u>654,428,075</u>
213,567,573	211,093,487	214,253,633	206,573,541	231,463,100	232,774,169
77,417,798	78,530,889	74,082,237	72,651,360	70,022,900	77,625,104
6,390,238	6,851,832	4,113,849	3,760,557	3,470,298	4,270,535
369,633	609,796	558,733	763,453	1,142,381	998,813
29,369,730	30,236,201	27,954,618	33,566,049	39,025,863	37,253,130
39,776,483	49,750,441	46,617,867	38,211,520	21,269,377	35,447,785
341,454	346,538	393,684	364,567	401,626	398,908
35,249,350	36,399,488	29,336,439	31,326,700	30,582,949	32,757,573
6,790,917	7,049,604	7,189,097	6,637,044	8,289,888	8,783,126
1,198,780	1,280,016	1,558,587	1,139,823	1,332,834	2,031,642
41,379,393	48,264,749	47,192,721	46,630,433	43,339,485	45,892,705
31,456,572	27,202,285	29,814,983	30,094,029	29,424,540	31,995,979
10,105,563	14,474,208	18,885,526	19,533,495	19,027,217	31,540,078
27,092,882	30,506,964	27,961,981	29,992,148	34,735,143	39,035,762
6,347,799	5,764,915	7,139,576	3,930,296	5,422,262	5,763,046
122,738,738	125,449,441	136,262,738	80,883,297	28,375,824	5,399,065
17,035,000	24,605,000	19,715,000	27,250,000	28,575,000	30,045,000
35,394,959	36,665,669	35,923,014	35,883,608	34,639,869	32,493,389
0	0	0	0	0	1,867,819
<u>702,022,862</u>	<u>735,081,523</u>	<u>728,954,283</u>	<u>669,191,920</u>	<u>630,540,556</u>	<u>656,373,628</u>
(27,434,298)	(59,640,794)	(123,151,076)	(53,501,365)	(14,046,991)	(1,945,553)
					(Continued)

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Refunding Leases Initiated	0	0	0	0
Premium on Initiation of Refunding Leases	0	0	0	0
General Obligation Bonds Issued	26,800,000	0	0	0
Premium on General Obligation Bonds	3,817,959	0	0	0
Issuance of Refunding Bonds	69,405,000	380,945,000	0	0
Premium on Refunding Bonds	7,482,626	48,836,975	0	0
Payment to Refunded Bond Escrow Agent	(76,115,246)	(459,954,691)	0	0
Payment to Refunded Escrow Agent	0	0	0	0
New Capital Leases	0	120,365,000	0	0
Premium on Capital Leases	0	7,503,350	0	0
Transfers In	16,164,576	14,626,125	155,775,182	152,935,825
Transfers Out	(16,164,576)	(14,626,125)	(155,775,182)	(152,935,825)
<b>Total Other Financing Sources (Uses)</b>	<b>31,390,339</b>	<b>97,695,634</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(\$52,727,169)</b>	<b>(\$62,986,661)</b>	<b>(\$86,996,681)</b>	<b>(\$53,237,640)</b>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 13.16%	 10.89%	 10.42%	 10.05%

Source: District Treasurer's Office

# *CINCINNATI CITY SCHOOL DISTRICT, OHIO*

2010	2011	2012	2013	2014	2015
0	0	0	4,694,782	0	0
0	0	0	0	0	102,545,000
0	0	0	0	0	9,675,995
21,715,000	3,000,000	26,250,000	0	0	0
0	0	0	0	0	0
104,900,000	0	0	0	0	0
9,387,925	0	0	0	0	0
(103,964,664)	0	0	0	0	0
0	0	0	0	0	(111,049,490)
0	0	0	0	0	0
0	0	0	0	0	0
410,008,330	196,495,786	185,798,244	12,402,825	15,688,015	18,512,185
(410,008,330)	(196,495,786)	(185,798,244)	(12,402,825)	(15,688,015)	(18,512,185)
32,038,261	3,000,000	26,250,000	4,694,782	0	1,171,505
\$4,603,963	(\$56,640,794)	(\$96,901,076)	(\$48,806,583)	(\$14,046,991)	(\$774,048)

9.02%

10.06%

9.26%

10.29%

10.50%

9.84%

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

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

<b>Tax year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Real Property</b>				
Assessed	\$6,253,727	\$6,270,949	\$6,273,021	\$6,275,000
Actual	17,867,791	17,916,997	17,922,917	17,928,571
<b>Public Utility</b>				
Assessed	352,496	339,324	282,091	281,000
Actual	352,496	339,324	282,091	281,000
<b>Tangible Personal Property</b>				
Assessed	434,739	297,008	181,603	31,500
Actual	1,738,956	1,584,043	1,452,824	504,000
<b>Total</b>				
Assessed	7,040,962	6,907,281	6,736,715	6,587,500
Actual	19,959,243	19,840,364	19,657,832	18,713,571
<b>Assessed Value as a Percentage of Actual Value</b>	35.28%	34.81%	34.27%	35.20%
<b>Total Direct Tax Rate</b>	\$60.83	\$59.77	\$59.37	\$59.67

Source: Hamilton County Auditor

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

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

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

2009	2010	2011	2012	2013	2014
\$6,290,000	\$6,292,744	\$5,707,605	\$5,612,343	\$5,543,750	\$5,595,890
17,971,429	17,979,269	16,307,443	16,035,266	15,839,286	15,988,257
281,000	304,596	322,343	341,979	382,312	419,717
281,000	304,596	322,343	341,979	382,312	419,717
15,500	0	0	0	0	0
248,000	0	0	0	0	0
6,586,500	6,597,340	6,029,948	5,954,322	5,926,062	6,015,607
18,500,429	18,283,865	16,629,786	16,377,245	16,221,598	16,407,974
35.60%	36.08%	36.26%	36.36%	36.53%	36.66%
\$67.95	\$67.87	\$68.54	\$70.76	\$71.34	\$71.49

# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

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

Collection Year	2006	2007	2008	2009	2010
<b>Direct District Rates</b>					
General Fund	55.13	54.81	54.90	62.95	62.87
Bond Retirement Fund	4.64	4.56	4.77	5.00	5.00
Total	59.77	59.37	59.67	67.95	67.87
<b>Overlapping Rates</b>					
Hamilton County	20.81	20.18	20.56	20.63	20.48
Cities:					
Cheviot	14.52	14.52	14.52	14.52	20.13
Cincinnati	10.19	9.93	9.89	9.89	9.82
Indian Hill	0.96	0.96	0.96	0.96	0.96
Madeira	7.50	7.50	7.50	7.50	7.50
Norwood	11.40	11.40	11.40	11.40	11.40
Silverton	8.15	8.15	8.15	8.15	8.15
Wyoming	10.00	10.00	10.00	10.00	10.00
Villages:					
Amberly	7.00	7.00	7.00	7.00	7.00
Fairfax	2.76	2.76	2.76	2.76	2.76
Golf Manor	30.52	30.52	38.52	38.52	38.52
Mairemont	14.37	14.37	14.37	14.37	14.37
Townships:					
Anderson	14.15	14.15	14.15	16.85	16.85
Columbia	21.26	14.76	14.76	18.76	14.76
Delhi	26.34	26.34	26.34	26.34	26.34
Green	9.81	9.81	9.81	11.71	11.71
Springfield	20.30	20.30	20.30	20.30	22.80
Sycamore	7.75	8.75	8.75	8.75	8.75
Fairfax - Madison Pl.	2.76	0.00	0.00	0.00	0.00
Total	300.32	290.77	299.41	316.36	320.17

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

**Source:**

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

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

2011	2012	2013	2014	2015
63.54	65.76	66.34	66.49	65.65
5.00	5.00	5.00	5.00	5.00
68.54	70.76	71.34	71.49	70.65
19.45	19.03	19.03	19.03	18.85
20.13	20.13	20.13	20.13	20.13
0.00	10.50	10.85	12.20	12.10
0.96	0.96	0.96	0.96	0.96
7.50	7.50	7.50	7.50	7.50
11.40	11.40	11.40	11.40	11.40
8.15	8.15	8.15	8.15	8.15
10.00	10.00	10.00	10.00	10.00
7.00	7.00	17.00	17.00	17.00
2.76	2.76	2.76	2.76	2.76
38.52	38.52	38.52	38.52	38.52
14.37	14.37	14.37	14.37	14.37
16.85	16.85	14.57	14.57	14.57
14.76	17.01	17.10	17.01	17.01
26.34	26.34	26.34	28.09	30.58
11.71	11.71	11.71	11.71	14.66
22.80	22.80	23.80	23.80	23.80
8.75	8.75	8.75	8.75	8.75
0.00	0.00	0.00	0.00	0.00
309.99	324.54	334.28	337.44	341.76



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

Name of Taxpayer	Nature of Business	Calendar Year 2014		
		Assessed Value	Rank	Percent of Total Assessed Value
Duke Energy Ohio Inc.	Public Utility	\$394,203,500	1	6.55%
Cincinnati City of	Municipality	91,118,380	2	1.51%
The Proctor & Gamble Company	Consumer Goods Manufacturing	53,498,740	3	0.89%
Duke Energy Ohio Inc	Public Utility	27,984,940	4	0.47%
Emery Realty Inc	Real Estate Holding	26,113,270	5	0.43%
Fifth Third Bank	Real Estate Holding	23,901,980	6	0.40%
Columbia Development Corporation	Real Estate Holding	20,039,070	7	0.33%
OTR Thomson & Reuters	Real Estate Holding	17,850,000	9	0.30%
Regency Centers LP	Real Estate Holding	17,233,150	8	0.29%
Cincinnati City of	Municipality	16,720,660	10	0.28%
Subtotal		688,663,690		11.45%
All Others		5,326,943,310		88.55%
Total		<u>\$6,015,607,000</u>		<u>100.00%</u>

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 Proctor & 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 & Suburban 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>

Source: Hamilton County Auditor - Land and Buildings  
Based on valuation of property in 2013 and 2004

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

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

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

<b>Collection Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Total Tax Levy <sup>(1)</sup></b>	\$277,611	\$276,704	\$281,679
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections <sup>(2)</sup>	237,378	232,726	234,117
Percent of Levy Collected	85.51%	84.11%	83.11%
Delinquent Tax Collections	12,621	12,233	12,665
Total Tax Collections	249,999	244,959	246,782
<b>Percent of Total Tax Collections To Tax Levy</b>	90.05%	88.53%	87.61%
<b>Accumulated Outstanding Delinquent Taxes <sup>(3)</sup></b>	12,343	12,395	17,877
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	4.45%	4.48%	6.35%

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

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

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs. Delinquent taxes based upon levy year, not collection year.

Source: Hamilton County Auditor's Office

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

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

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2008	2009	2010	2011	2012	2013	2014
\$278,080	\$310,725	\$325,378	\$310,483	\$312,059	\$304,954	\$311,559
255,997	250,932	260,668	256,563	263,761	\$266,216	\$271,843
92.06%	80.76%	80.11%	82.63%	84.52%	87.30%	87.25%
14,997	12,543	16,232	15,936	11,725	\$10,725	\$10,472
270,994	263,475	276,900	272,499	275,486	276,941	282,315
97.45%	84.79%	85.10%	87.77%	88.28%	90.81%	90.61%
21,615	29,563	29,345	22,483	22,535	25,739	27,022
7.77%	9.51%	9.02%	7.24%	7.22%	8.44%	8.67%

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$736,003,676	\$673,331,045	\$651,203,169	\$628,860,293
Tax Anticipation Notes Payable	43,600,000	35,730,000	27,455,000	18,755,000
Capital Leases	0	126,617,792	125,367,234	124,116,676
Total Primary Government	<u>\$779,603,676</u>	<u>\$835,678,837</u>	<u>\$804,025,403</u>	<u>\$771,731,969</u>
<b>Population</b> <sup>(2)</sup>				
City of Cincinnati	331,285	331,285	331,285	331,285
Outstanding Debt Per Capita	2,353	2,523	2,427	2,330
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	13,702,279	13,525,704	13,740,708	14,155,808
Percentage of Personal Income	5.69%	6.18%	5.85%	5.45%

#### **Sources:**

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

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$640,782,247	\$624,312,582	\$660,062,686	\$630,873,616	\$600,399,546	\$568,734,053
9,610,000	0	0	0	0	0
122,866,118	114,960,560	106,715,000	105,815,000	104,875,000	114,320,995
<u>\$773,258,365</u>	<u>\$739,273,142</u>	<u>\$766,777,686</u>	<u>\$736,688,616</u>	<u>\$705,274,546</u>	<u>\$683,055,048</u>
332,252	332,252	332,252	332,252	332,252	332,252
2,327	2,225	2,308	2,217	2,123	2,056
12,965,832	12,614,612	12,571,087	13,053,849	13,638,612	17,020,938
5.96%	5.86%	6.10%	5.64%	5.17%	4.01%

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

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

<b>Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Population</b> <sup>(1)</sup>	331,285	331,285	331,285	331,285
<b>Assessed Value</b> (in thousands) <sup>(2)</sup>	7,040,962	6,907,281	6,736,715	6,587,500
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	736,003,676	673,331,045	651,203,169	628,860,293
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	21,561,481	24,674,972	23,190,860	9,466,772
<b>Net General Bonded Debt</b>	714,442,195	648,656,073	628,012,309	619,393,521
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	10.15%	9.39%	9.32%	9.40%
<b>Net Bonded Debt per Capita</b>	2,157	1,958	1,896	1,870

**Source:**

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

(2) Hamilton County Auditor

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

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

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

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
332,252	332,252	332,252	332,252	332,252	332,252
6,586,500	6,597,340	6,029,948	5,954,322	5,926,062	6,015,607
640,782,247	624,312,582	660,062,686	630,873,616	600,399,546	568,734,053
12,439,296	(282,873)	28,654,095	33,416,766	36,585,823	35,185,555
628,342,951	624,595,455	631,408,591	597,456,850	563,813,723	533,548,498
9.54%	9.47%	10.47%	10.03%	9.51%	8.87%
1,891	1,880	1,900	1,798	1,697	1,606



# CINCINNATI CITY SCHOOL DISTRICT, OHIO

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2015*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Cincinnati Public School District (1)</u>	<u>Amount Applicable to Cincinnati Public School District</u>
<b>Direct:</b>			
Cincinnati Public School District	\$683,055,048	100.00%	\$683,055,048
<b>Overlapping:</b>			
Hamilton County	98,279,232	100.00%	98,279,232
Cities:			
Cheviot	415,000	0.09%	368
Cincinnati	448,645,000	95.96%	430,516,919
Madeira	720,000	0.15%	1,109
Norwood	3,556,413	0.76%	27,053
Silverton	3,620,000	0.77%	28,029
Wyoming	10,580,000	2.26%	239,418
Villages:			
Amberly	5,720,000	99.51%	5,692,136
Golf Manor	28,000	0.49%	136
Townships:			
Delhi	3,290,000	6.53%	214,855
Springfield	8,510,000	16.89%	1,437,516
Anderson Township	13,295,000	26.39%	3,508,570
Sycamore Township	17,425,000	34.59%	6,026,970
Deer Park - Silverton Fire District	493,651	0.98%	4,837
Little Miami Jt Fire & Rescue District	7,365,000	14.62%	1,076,711
	<u>621,942,296</u>	Subtotal	<u>547,053,859</u>
		Total	<u><u>\$1,230,108,907</u></u>

Source: Hamilton County Auditor

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the District by the subdivision's total assessed valuation.

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

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

Collection Year	2006	2007	2008	2009
<b>Net Assessed Valuation</b>	\$7,040,962	\$6,907,281	\$6,736,715	\$6,587,500
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	633,687	621,655	606,304	592,875
Applicable District Debt Outstanding	736,004	673,331	651,203	628,860
Less: Applicable Debt Service Fund Amounts (2)	(21,561)	(24,675)	(23,191)	(9,467)
Net Indebtedness Subject to Limitation	714,442	648,656	628,012	619,394
Overall Legal Debt Margin	(\$80,756)	(\$27,001)	(\$21,708)	(\$26,519)
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	7,041	6,907	6,737	6,588
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	\$7,041	\$6,907	\$6,737	\$6,588
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	63,369	62,166	60,630	59,288
Authorized by the Board	(13,800)	(11,290)	(8,655)	(5,900)
Unvoted Energy Conservation				
Bond Legal Debt Margin	\$49,569	\$50,876	\$51,975	\$53,388

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

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

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

2010	2011	2012	2013	2014	2015
\$6,586,500	\$6,597,340	\$6,029,948	\$5,954,322	\$5,926,062	\$6,015,607
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
592,785	593,761	542,695	535,889	533,346	541,405
640,782	624,313	660,063	630,874	600,400	568,734
(12,439)	0	(28,654)	(33,417)	(36,586)	(35,186)
628,343	624,313	631,409	597,457	563,814	533,548
(\$35,558)	(\$30,552)	(\$88,713)	(\$61,568)	(\$30,468)	\$7,856
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6,587	6,597	6,030	5,954	5,926	6,016
0	0	0	0	0	0
\$6,587	\$6,597	\$6,030	\$5,954	\$5,926	\$6,016
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
59,279	59,376	54,270	53,589	53,335	54,140
(24,740)	(24,715)	(50,965)	(50,965)	(50,965)	(50,965)
\$34,539	\$34,661	\$3,305	\$2,624	\$2,370	\$3,175

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2005	2006	2007	2008
<b>Population</b> <sup>(1)</sup>				
City of Cincinnati	331,285	331,285	331,285	331,285
Hamilton County	845,303	845,303	845,303	845,303
<b>Income</b> <sup>(2) (a)</sup>				
Total Personal (in thousands)	13,702,279	13,525,704	13,740,708	14,155,808
Per Capita	41,361	40,828	41,477	42,730
<b>Unemployment Rate</b> <sup>(3)</sup>				
Federal	5.0%	4.6%	4.6%	5.8%
State	5.9%	5.5%	5.6%	6.6%
Hamilton County	5.7%	5.0%	5.0%	5.6%
Fiscal Year	2006	2007	2008	2009
<b>School Enrollment</b> <sup>(4)</sup>				
Grades K - 5	15,964	15,534	15,279	15,486
Grades 6 - 8	8,573	7,606	7,278	7,311
Grades 9 - 12	11,029	11,089	10,681	10,558
Total	35,566	34,229	33,238	33,355

### Sources:

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

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
331,285	332,252	332,252	332,252	332,252	332,252
845,303	802,374	802,374	802,374	802,374	802,374
12,965,832	12,614,612	12,571,087	13,053,849	13,638,612	17,020,938
39,138	37,967	37,836	39,289	41,049	51,229
9.3%	9.6%	8.9%	7.6%	6.1%	6.2%
10.2%	10.1%	8.6%	7.2%	5.5%	5.7%
8.9%	9.4%	8.6%	7.5%	5.4%	5.3%
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
15,545	15,105	14,982	16,474	15,366	16,766
7,053	6,976	6,713	6,631	6,599	7,120
9,927	9,928	9,061	8,639	8,256	8,811
<u>32,525</u>	<u>32,009</u>	<u>30,756</u>	<u>31,744</u>	<u>30,221</u>	<u>32,697</u>



# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

## *Principal Employers Current Year and Nine Years Ago*

		2015	
Employer	Nature of Business	Number of Employees	Rank
The Kroger Co.	Consumer Goods Distribution	20,646	1
University of Cincinnati	Education	15,329	2
Cincinnati Children's Hospital	Health Care	12,564	3
The Procter & Gamble Co.	Consumer Goods Manufacturing	12,000	4
Tri Health Inc	Health Care	10,400	5
Mercy Health Partners	Health Care	8,940	6
UC Health	Health Care	8,670	7
GE Aviation	Consumer Manufacturing	7,500	8
St. Elizabeth Healthcare	Health Care	7,251	9
Fifth Third Bancorp	Financial Institution	7,180	10
Total		110,480	

		2006	
Employer	Nature of Business	Number of Employees	Rank
University of Cincinnati	Education	15,400	1
The Kroger Co.	Consumer Goods Distribution	14,000	2
Health Alliance	Health Care	13,141	3
The Procter & Gamble Co.	Consumer Goods Manufacturing	12,000	4
Fifth Third Bank Corp.	Financial Institution	8,964	5
Toyota Motor Manufacturing	Automotive	8,490	6
Children's Hospital	Health Care	8,102	7
TriHealth, Inc.	Health Care	7,648	8
Cincinnati Public Schools	Education	7,589	9
City of Cincinnati	City Government	6,964	10
Total		102,298	

**Sources:** Cincinnati USA,

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## School District Employees by Type Last Ten Years

	2006	2007	2008	2009	2010
<b>Supervisory</b>					
Executive Administration	0.00	0.00	0.00	0.00	0.00
Principals	73.00	76.00	68.00	57.00	56.00
Assistant Principals	51.80	50.30	39.00	40.50	41.00
Supervisor/Coordinator/Director	0.00	0.00	0.00	0.00	0.00
Consultants/Supervisors of Instruction	3.00	23.80	25.00	22.80	25.00
Instructional Administrators	4.00	3.00	2.00	4.00	5.00
Noninstructional Administrators	34.00	37.40	36.00	58.00	62.00
Other Official/Administration	0.00	0.00	0.00	0.00	0.00
<b>Instruction</b>					
Classroom Teachers	2,719.36	2,480.04	2,268.05	2,178.67	2,193.00
Teacher Support	0.00	0.00	0.00	0.00	0.00
<b>Student Services</b>					
Guidance Counselors	18.00	19.00	17.60	16.80	17.00
Instructional Paraprofessional/T. Aide	0.00	0.00	0.00	0.00	0.00
Librarians/Librarian Aide	27.00	28.90	25.55	24.60	24.00
Psychologists	77.50	72.85	63.40	71.20	72.00
Therapist/Therapist Asst./Interpreter	0.00	0.00	0.00	0.00	0.00
Social Workers	34.50	40.68	37.10	35.63	31.00
Other Professionals (noninstructional)	80.83	108.64	107.12	110.91	113.00
<b>Support Services</b>					
Accounting/Office Clerical	0.00	0.00	0.00	0.00	0.00
Clerical/Secretaries	392.49	351.32	332.37	335.68	324.00
Custodial/Grounds	0.00	0.00	0.00	0.00	0.00
Food Service	213.26	207.71	183.38	173.19	164.00
Maintenance/Trade Crafts	0.00	0.00	0.00	0.00	0.00
Maintenance/Grounds	364.00	401.04	367.03	344.77	339.00
Safety/Security	138.51	116.66	144.27	148.67	113.00
Technical	0.00	0.00	0.00	0.00	0.00
Tutors/Aides	889.50	895.56	938.84	1,019.54	957.00
Other Support Services	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>4,992.95</u>	<u>4,762.80</u>	<u>4,522.71</u>	<u>4,521.66</u>	<u>4,414.00</u>

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

Source: District Treasurer's Office

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

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

2011	2012	2013	2014	2015
*				
9.00	11.00	10.00	17.00	12.00
56.00	53.00	57.00	57.00	53.00
41.00	36.60	29.00	33.00	36.00
76.00	63.75	59.75	116.50	69.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	4.00	2.00
2,118.00	1,973.74	1,970.97	2,005.83	2,091.00
99.00	74.45	99.65	102.10	100.00
15.00	14.00	14.60	15.60	22.00
843.00	791.95	766.09	772.46	764.00
23.00	21.30	18.50	15.00	15.00
62.00	53.60	51.41	58.35	66.00
102.00	107.77	99.10	93.91	101.00
21.00	17.73	16.33	13.20	15.00
68.00	81.91	65.85	68.27	86.00
286.00	264.99	236.63	246.33	272.00
0.00	0.00	0.00	0.00	0.00
198.00	193.00	190.63	194.63	203.00
164.00	165.12	165.16	167.44	245.00
125.00	117.99	107.99	115.68	116.00
0.00	0.00	0.00	0.00	0.00
119.00	99.00	96.00	110.78	119.00
19.00	31.05	16.00	30.00	19.00
0.00	0.00	0.00	0.00	0.00
23.00	26.97	55.67	53.46	69.00
4,469.00	4,200.92	4,128.33	4,290.54	4,475.00

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

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

Fiscal Year	2006	2007	2008	2009
Enrollment	35,566	34,229	33,238	33,355
Modified Accrual Basis				
Operating Expenditures (1)	549,273,027	513,240,116	504,776,861	513,957,839
Cost per Pupil	15,444	14,994	15,187	15,409
Percentage of Change	(0.2%)	(2.9%)	1.3%	1.5%
Accrual Basis				
Operating Expenses (2)	525,843,641	514,755,031	523,834,057	537,347,897
Cost per Pupil	14,785	15,039	15,760	16,110
Percentage of Change	(5.5%)	1.7%	4.8%	2.2%
Teaching Staff	2,639	2,401	2,351	2,384

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

N/A = Not available

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

(2) Expenses do not include interest expense

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

2010	2011	2012	2013	2014	2015
32,525	32,009	30,756	31,744	30,221	32,697
526,854,165	548,361,413	537,053,531	525,175,015	538,949,863	586,568,355
16,198	17,131	17,462	16,544	17,834	17,940
5.1%	5.8%	1.9%	(5.3%)	7.8%	0.6%
541,046,687	561,569,166	563,999,462	564,658,137	551,762,393	599,661,600
16,635	17,544	18,338	17,788	18,258	18,340
3.3%	5.5%	4.5%	(3.0%)	2.6%	0.5%
2,193	2,363	2,023	2,804	2,183	2,333

# CINCINNATI CITY SCHOOL DISTRICT, OHIO

## Operating Indicators by Function Last Ten Years

	2006	2007	2008
<b>Governmental Activities</b>			
Support Services			
Pupils			
Enrollment	35,566	33,881	33,438
Graduates	1,821	1,769	1,803
Percent of Students with Disabilities	20.14%	20.50%	18.22%
Percent of Students with English as Second Language	1.80%	3.20%	3.00%
Administration			
School Attendance Rate	94.80	94.70	94.80
Fiscal Services			
Purchase Orders Processed	6,007	18,758	21,595
Checks Issued (non payroll)	29,979	27,395	27,485
Operation and Maintenance of Plant			
District Square Footage Maintained	7,775,142	7,949,000	7,949,000
District Square Acreage Maintained	925	925	925
Percentage of Capacity Used	68.93%	95.90%	86.00%
Average Age of Buidlings	57	51	46
Pupil Transportation			
Average Daily Students Transported	35,761	25,862	23,676
Average Daily Bus Fleet Miles	26,685	25,081	25,415
Number of Buses	350	328	431
Operation of Noninstructional Services			
Food Service			
Students Meals Served Daily	4,883,113	4,303,328	3,315,962
Free/Reduced Price Meals Daily	4,242,694	3,721,980	2,893,212
Percentage of Students Receiving Free and Reduced Lunch	86.89%	86.49%	87.25%
Extracurricular Activities			
High School Varsity Teams	126	145	100

Source: District Treasurer's Office

Information not available in this format prior to 2005

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

Prior years reflect a count as of June 30.

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

2009	2010	2011	2012	2013	2014	2015
33,121	32,525	32,009	30,756 *	29,928	30,221	32,697
1,799	1,766	1,736	1,605	1,609	1,789	1,660
20.00%	20.80%	21.00%	20.10%	19.30%	19.40%	17.82%
3.10%	3.70%	3.70%	4.30%	5.10%	5.40%	5.10%
95.20	97.90	95.80	95.00	95.70	95.80	95%
19,293	19,943	16,250	0	11,953	15,335	18,383
24,083	26,662	25,885	22,137	18,602	15,302	15,255
6,977,896	5,916,068	5,983,415	5,892,176	6,073,977	6,073,977	6,073,977
755	755	755	755	755	755	755
92.42%	94.55%	93.03%	0.00%	95.30%	95.30%	95.30%
42	37	36	19	18	21	21
24,585	20,894	19,938	20,984	21,118	24,101	24,035
29,690	30,917	31,079	24,912	25,295	19,790	19,422
358	413	426	427	425	406	405
5,298,035	5,248,226	5,613,070	5,920,539	5,895,704	5,901,123	5,917,176
4,629,370	4,679,097	3,972,566	5,265,433	5,564,086	5,586,647	5,599,584
87.38%	89.16%	70.77%	88.94%	94.38%	94.67%	94.63%
126	142	144	126	121	113	114

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

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

Fiscal Year	2006	2007	2008	2009
Minimum Salary	35,824	35,824	36,905	36,905
Maximum Salary	81,008	81,008	83,455	87,979
District Average Salary	60,275	62,760	64,029	67,097
County Average Salary	54,967	54,576	55,001	58,300
State Average Salary	50,772	51,346	53,410	54,656

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

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

Fiscal Year	2006	2007	2008	2009
Bachelor's Degree	230	155	160	159
Bachelor + 15	692	570	519	519
Master's Degree	1,111	1,083	1,080	1,088
Master's Degree + 30	560	549	545	567
Doctorate	46	44	47	51
Total	2,639	2,401	2,351	2,384

Source: District Treasurer's Office

N/A = not available

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

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2010	2011	2012	2013	2014	2015
36,905	39,262	40,926	42,619	40,832	40,832
87,979	83,455	83,455	83,455	86,793	82,826
64,344	64,638	65,966	66,470	63,081	64,243
48,000	42,195	N/A	N/A	N/A	N/A
53,000	56,715	N/A	N/A	N/A	N/A

2010	2011	2012	2013	2014	2015
152	197	127	245	191	257
488	486	401	501	415	431
1,033	1,054	958	1,220	982	1,030
486	572	507	779	548	573
34	54	30	59	47	42
2,193	2,363	2,023	2,804	2,183	2,333

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

### *Capital Asset Statistics by Building Last Ten Years*

	2006	2007	2008	2009
<b>School Buildings</b>				
<b>High Schools</b>				
Number of Buildings	10	10	11	11
Square Footage	2,667,745	2,882,307	2,638,069	2,638,069
Capacity (students)	15,081	11,361	14,655	13,415
Enrollment	12,050	10,895	10,681	12,597
<b>Elementary Schools</b>				
Number of Buildings	53	50	47	46
Square Footage	4,398,912	4,752,707	4,348,245	3,583,896
Capacity (students)	33,522	24,129	26,607	21,450
Enrollment	23,516	23,140	22,557	20,524
<b>All Other</b>				
<b>Central Administration Building</b>				
Square Footage	140,033	140,033	140,033	140,033
<b>Maintenance Building</b>				
Square Footage	150,779	150,779	150,779	150,779

Source: District Treasurer's Office

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

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2010	2011	2012	2013	2014	2015
11	13	13	13	13	13
2,443,649	2,469,919	2,668,672	2,382,548	2,382,548	2,382,548
10,950	11,600	10,192	10,192	10,192	10,192
9,927	12,587	9,061	8,639	13,485	15,931
46	43	46	44	44	44
3,472,389	3,222,684	3,371,043	3,055,697	3,055,697	3,055,697
23,915	22,800	23,474	22,585	22,585	22,585
22,598	19,422	21,695	23,105	16,661	16,766
140,033	140,033	140,033	140,033	140,033	140,033
150,779	150,779	150,779	150,779	150,779	150,779

# **CINCINNATI CITY SCHOOL DISTRICT, OHIO**

## *Educational and Operating Statistics Last Ten Years*

	2006	2007	2008	2009	2010
<b>ACT Scores (Average)</b>					
Cincinnati	19.4	19.4	19.0	18.9	19.1
Ohio	21.5	21.6	21.7	21.7	21.8
National	21.1	21.2	21.1	21.1	21.0
<b>SAT Scores (Average)</b>					
Cincinnati					
Verbal	483	475	497	518	524
Mathematical	480	469	486	508	514
Ohio					
Verbal	535	536	534	537	538
Mathematical	544	542	544	546	548
National					
Verbal	503	502	502	501	501
Mathematical	518	515	515	515	516
<b>National Merit Scholars</b>					
Finalist	3	3	0	0	7
Semi-Finalist	13	15	11	21	21
<b>Cost per Student (ODE)</b>					
Cincinnati	11,970	12,025	12,315	13,012	13,449
Ohio (Average)	8,744	9,343	9,939	10,184	10,513
<b>Cost to Educate a Graduate</b>					
Cincinnati	118,613	121,514	129,086	135,319	148,331
Ohio (Average)	88,671	91,193	101,747	105,992	116,176
<b>Attendance Rate</b>					
Cincinnati	94.80%	94.70%	94.80%	95.20%	97.90%
Ohio (Average)	94.10%	94.10%	94.20%	94.30%	94.30%
<b>Graduation Rate</b>					
Cincinnati	76.60%	77.20%	80.00%	82.90%	80.40%
Ohio (Average)	86.20%	86.10%	86.90%	84.60%	83.00%

**Source:**

District's Student Records and Ohio Department of Education

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

2011	2012	2013	2014	2015
18.1	19.3	18.8	18.5	N/A
21.8	21.8	21.8	22.0	N/A
21.1	21.1	20.9	21.0	N/A
513	548	568	588	601
501	535	558	566	581
539	543	548	555	557
545	548	556	562	563
497	496	496	497	495
514	514	514	513	511
0	17	0	2	N/A
19	22	0	18	N/A
14,067	14,720	N/A	N/A	N/A
10,513	10,571	N/A	N/A	N/A
161,780	175,847	190,567	N/A	N/A
126,689	137,202	147,773	N/A	N/A
95.80%	95.00%	95.70%	95.80%	95.00%
94.50%	94.20%	94.20%	94.30%	N/A
81.90%	63.90%	66.00%	73.60%	74.00%
84.30%	83.80%	81.30%	82.20%	N/A

