

CINCINNATI CITY SCHOOL DISTRICT



Single Audit Reports

June 30, 2017



Dave Yost • Auditor of State

Board of Education
Cincinnati City School District
2651 Burnet Avenue
Cincinnati, Ohio 45201

We have reviewed the *Independent Auditor's Report* of the Cincinnati City School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 22, 2018

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CINCINNATI CITY SCHOOL DISTRICT
HAMILTON COUNTY, OHIO

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/
Pass Through Grantor

<u>Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$5,841,984	\$0
National School Lunch Program	3L60	10.555	12,694,131	1,363,885
Summer Food Service Program for Children	3GE0	10.559	484,104	0
<i>Total Child Nutrition Cluster</i>			<u>19,020,219</u>	<u>1,363,885</u>
Child Nutrition Discretionary Grants Limited Availability	3GF0	10.579	36,523	0
Fresh Fruit and Vegetable Program	3GG0	10.582	732,746	0
Child and Adult Care Food Program	3L80	10.558	99,646	0
State Administrative Expenses for Child Nutrition	3670	10.560	8,535	0
Total U.S. Department of Agriculture			<u>19,897,669</u>	<u>1,363,885</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Impact Aid	N/A	84.041	119,899	0
Total Impact Aid			<u>119,899</u>	<u>0</u>
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education Grants to States	3M20	84.027	11,210,787	0
Special Education Preschool Grants	3C50	84.173	248,193	0
Total Special Education Cluster			<u>11,458,980</u>	<u>0</u>
Title I Grants to Local Education Agencies	3M00	84.010	28,742,285	0
Teacher Incentive Fund	3CG0	84.374	531,652	0
School Improvement Grants	3AN0	84.377	407,288	0
Adult Education-Basic Grants to States	3ABL	84.002	1,060,498	0
Career and Technical Education-Basic Grants to States	3L90	84.048	980,199	0
Education for Homeless Children and Youth	3EJO	84.196	411,086	0
Twenty-First Century Community Learning Centers	3Y20	84.287	735,892	0
English Language Acquisition State Grants	3Y70	84.365	599,342	0
Improving Teacher Quality State Grants	3Y60	84.367	2,756,812	0
Race To The Top - ARRA	3FDO	84.395A	1,320	0
Total U.S. Department of Education			<u>47,805,253</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
National Institute of Justice Research, Evaluation, and Development Project Grant	N/A	16.560	199,112	0
Total Department of Justice			<u>199,112</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Cincinnati-Hamilton County Community Action Agency:</i>				
Head Start	HS16	93.600	3,027,732	0
Total U.S. Department of Health and Human Services			<u>3,027,732</u>	<u>0</u>
Total Federal Awards			<u>\$ 70,929,766</u>	<u>\$ 1,363,885</u>

See accompanying notes to The Schedule of Federal Awards and Expenditures.

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017**

Note A - Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note B - Child Nutrition Cluster

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

Note C - Food Donation Program

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective programs that benefited from the use of those donated food commodities.

Note D - Matching Requirements

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregated remaining fund information of the Cincinnati City School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. Finding 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 29, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Cincinnati City School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 29, 2017

**CINCINNATI CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

- Child Nutrition Cluster:
 - School Breakfast Program CFDA #10.553
 - National School Lunch Program CFDA #10.555
 - Summer Food Service Program for Children CFDA #10.559
 - Fresh Fruit and Vegetable Program CFDA #10.582
- Special Education Cluster:
 - Special Education Grants to States CFDA #84.027
 - Special Education Preschool Grants CFDA #84.173

Dollar threshold used to distinguish between Type A and Type B Programs \$2,168,810

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

2017-001-Material Weakness-Controls Related to Monthly Reconciliation of Cash

At June 30, 2017 the bank reconciliation does not agree to the general ledger by \$33,491.82. The bank balance is above book balance. The difference is immaterial and will be booked when amounts become known.

Recommendation

We recommend that the District's monthly cash reconciliation include timely follow up and that all reconciling items are properly recorded in the accounting system and / or clear the bank in the subsequent month.

Management's Response

During fiscal year 2017, the District implemented new payroll and human resource software systems. These new systems added to the complexity of the bank reconciliation process. The District is establishing new processes to meet internal control requirements and expects to have this corrected by the next audit period. See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None

**CINCINNATI CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Finding Number	Finding Summary	Finding Corrected	Initial Occurrence	Explanation
2016-001	Monthly Cash Reconciliations	No	FY 2015	The District is continuing to work on this. Although the monthly cash does not reconcile, improvements have been made and differences are smaller than the prior year. See Corrective Action Plan.
2016-002	Financial Reporting	Yes	FY 2016	The District corrected this issue.
2016-003	Federal Award CFDA #16.560 Findings and Questioned Costs	Yes	FY 2016	The District corrected this issue.

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**CINCINNATI CITY SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
JUNE 30, 2017**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	The District has made progress on this issue by implementing a new accounting system. The District has a person assigned to make sure bank reconciliations are prepared timely and accurately.	June 2018	Jennifer Wagner

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**Vision
2020**

Cincinnati Public Schools
Hamilton County, OH

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017



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Hamilton County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

Prepared by:
Jennifer Wagner
Treasurer/CFO



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Introductory Section



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

December 29, 2017

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, 2017. 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, 2017 and 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 Powerschool's Business Plus as its general ledger accounting system, e-procurement software, capital asset system, and human resource/payroll system. The general ledger, e-procurement, and capital asset system went live on July 1, 2016 and the HR/payroll system went live on July 1, 2017.

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

The 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 44 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.

The District's average daily student enrollment (K-12) for the 2016-2017 year was 32,832 students. The District served 60% of the estimated 55,044 of school-aged children residing within its boundaries. The majority of enrolled students were members of ethnic minorities — in the 2016-2017 school year, 62.9% of students were African-American, 24.1% were Caucasian, 6.1% were other/multiracial, 5.3% were Hispanic, 1.6% were Asian or Pacific Islander.

A significant majority of students in the District — 87.2% — were on the federal free or reduced- price lunch plan during the 2016-2017 school year. Ninety percent of the District's elementary schools served students where 75% or more are economically disadvantaged. Nineteen percent of the students attending were served with Special Education needs.

Transportation was provided daily for 17,739 public students, 5,360 for charter students, and 3,648 for non-public students. Buses traveled an average of 20,308 miles each day. A self-supporting Food Services Department served an average of 23,193 lunches and 15,721 breakfasts each day in the 2016-2017 school year.

The District offers a comprehensive academic curriculum through the following programs: college preparatory classes, Advanced Placement courses, gifted education, vocational programs and a full range of services in special education. The District provides tutorial help, resource rooms, speech/language therapy, psychological services and counseling. In addition to academic and related services, the District 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 political 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, 2017 were:

	Current Term <u>Commenced</u>	Current Term <u>Expires</u>
Ericka Copeland-Dansby, President	01/01/14	12/31/17
Melanie Bates, Vice President	01/01/14	12/31/17
Eve Bolton	01/01/16	12/31/19
Elisa Hoffman	01/01/14	12/31/17
A. Chris Nelms	01/01/16	12/31/19
Daniel Minera	01/01/14	12/31/17
Carolyn Jones	01/01/16	12/31/19

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 (Superintendent’s contract was later extended through July 31, 2017).

Ms. Ronan began her more than 39-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.

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. In 2013, Education Week recognized Superintendent Ronan for her work on effective school turnarounds as part of the inaugural class of *2013 Leaders to Learn From*, 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 Ohio New Learning 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.

The Cincinnati Board of Education appointed Mrs. Jennifer M. Wagner, as Treasurer/Chief Financial Officer on February 9, 2015. Currently, Mrs. Wagner is serving a 2-year contract commencing from August 1, 2016 thru July 31, 2018.

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 located in the District's geographic territory. The major sources of revenue to the District are largely derived from local property taxes on real and personal property, but also include financial aid from the State of Ohio. Other funds, such as lunch and special classes are funded for their expenditures by designated State and Federal grants.

The City of Cincinnati, the largest governmental subdivision within the District's boundaries, was founded in 1788, chartered as a village in 1802, and incorporated in 1819, is the hub of the 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, service industries, as well as manufacturing.

Metropolitan Cincinnati was expanded to include 15 counties: Hamilton, Warren, Clermont, Butler and Brown counties in Ohio; Dearborn, Union and Ohio counties in Indiana; and Kenton, Boone, Bracken, Campbell, Grant, Gallatin and Pendleton counties in Kentucky.

In 2017, the City issued a total of 11,090 permits for all construction, including new construction and construction on existing residential and non-residential property, with an estimated cost of \$843,278,113. This represents 26.88% increase in estimated cost values over the 2016 fiscal year. The number of permits issued for new residential increased by 34.5% from 2016. All other, which includes residential and projects for 2017 were Union Terminal (\$23M valuation) and Medpace (\$53M valuation).

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 506,194 at March 31, 2017. According to the United States Department of Labor, Bureau of Labor Statistics, the State of Ohio unemployment rate was 5.3% at October, 2017 the same as the national rate of 4.2%.

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, generating \$21 billion in export sales. The City is the 16th largest center of export sales in the United States. Major export products include jet engines, plastics, machinery, computers and software technology and consumer goods. Nearly 400 Greater Cincinnati firms are owned by foreign firms from Japan, Germany, France, Canada, and the United Kingdom among other countries. Cincinnati exports more than any other city in Ohio.

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 tenth straight year. We were again able to meet this goal because of our continuing effort to right-size the District, aggressively monitoring and evaluating spending and the District is making aggressive efforts to attract and retain students.

Facilities Master Plan (FMP) Surges Forward

The District's ten-year, \$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 through August 2015, the District renovated or constructed new a total of 49 schools. In August 2015, CPS moved into its 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. During the spring and summer of 2016, in response to a growing demand for additional preschool seats, Cincinnati Public Schools renovated and reopened one of the schools left vacant by the Facilities Master Plan by converting it to the new Rising Stars Academy on Vine. In addition, the district leased space in two other locations to accommodate additional preschool seats.

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.

Historic Combination Preschool and K-12 Levy Sought

In spring of 2016, Cincinnati Public Schools began preparing for a historic levy campaign that involved working with multiple district stakeholders to put before voters a combined five-year, emergency levy that would raise \$48 million annually. Of this amount, \$15 million annually would be earmarked to expand quality preschool seats in CPS as well as through community-based preschool providers. The other \$33 million would support and expand district technology for students; college, career and workforce readiness initiatives; new programming for neighborhood schools; and provide essential educational services in response to the district's growing enrollment, which increased 8 percent over the past five years. The levy request was developed for the November 8, 2016 ballot. Later provided with a ballot number of Issue 44, it passed with a 62 percent approval rate, the highest margin in CPS levy history.

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, 2016.

The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The June 30, 2016 CAFR was the seventeenth consecutive CAFR prepared by the District to receive this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Independent Audit

State statute requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. Plattenburg & Associates, Inc. has performed the District Audit for fiscal year ended June 30, 2017. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act and Uniform Guidance. 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 Plattenburg & Associates, Inc., 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 HAMILTON COUNTY, OHIO

LIST OF PRINCIPAL OFFICERS JUNE 30, 2017

Members of the Board of Education

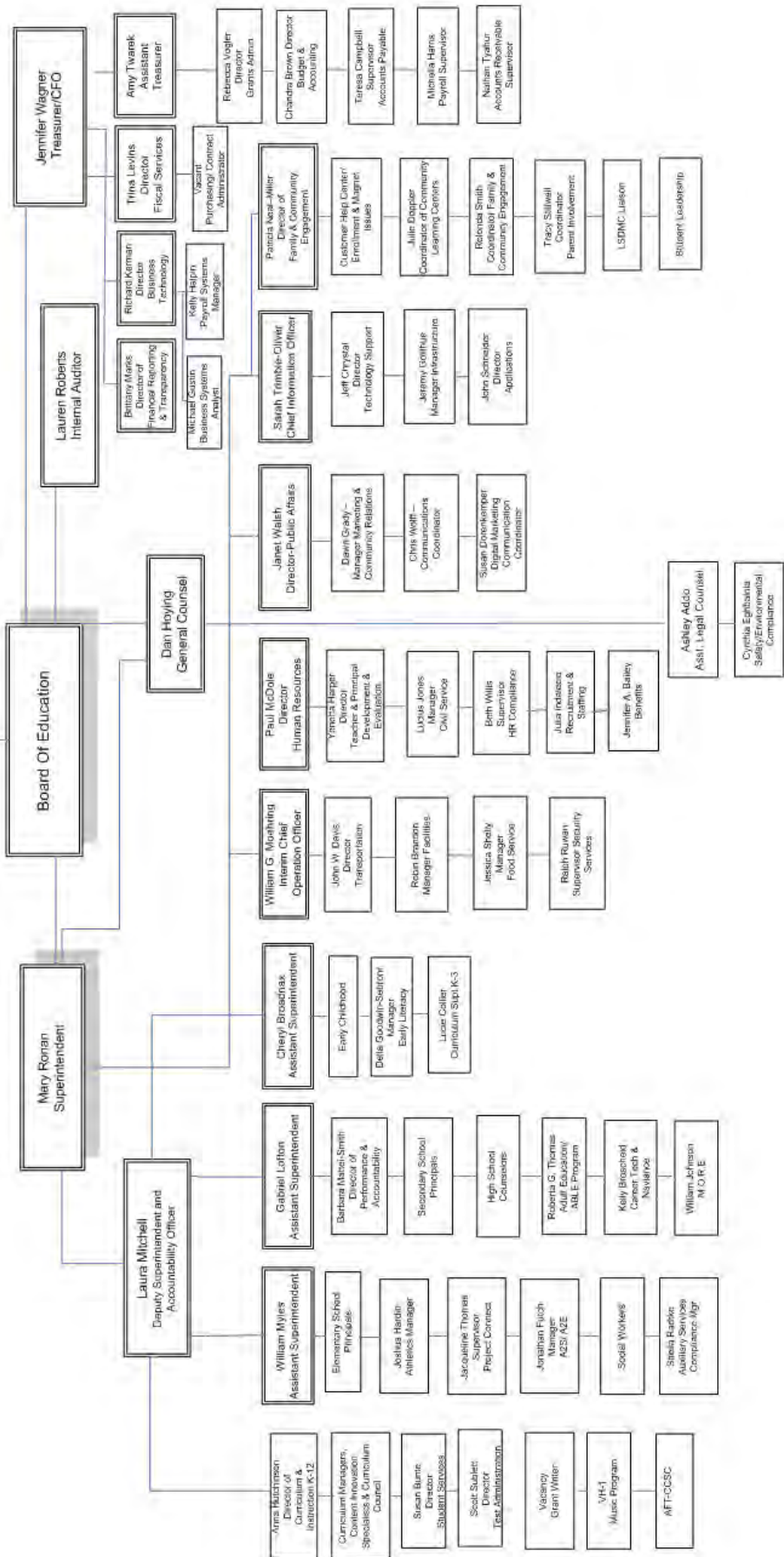
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ericka Copeland-Dansby	President	December 31, 2017
Melanie Bates	Vice President	December 31, 2017
Eve Bolton	Member	December 31, 2019
Daniel Minera	Member	December 31, 2017
A. Chris Nelms	Member	December 31, 2019
Elisa Hoffman	Member	December 31, 2017
Carolyn Jones	Member	December 31, 2019

District Administration

<u>Name</u>	<u>Title</u>
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
Daniel J. Hoying	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 Public Schools Organizational Chart

Students, Families, Employers, Taxpayers, Citizens





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, 2016

Christopher P. Morrill

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules 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 December 29, 2017, 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
December 29, 2017

Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

The discussion and analysis of the Cincinnati City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. 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, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- Net position of governmental activities decreased \$19,668,871 which represents a 24% decrease from 2016. Most of the decrease in net position relates to the change in net pension liability, deferred outflows - pension and deferred inflows - pension.
- General revenues accounted for \$571,049,685 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$120,155,314 or 17% of total revenues of \$691,204,999.
- The District had \$710,873,870 in expenses related to governmental activities; \$120,155,314 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$571,049,685 were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General and Schoolwide Building Program funds are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources, and liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**

These two statements report the District's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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 differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

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

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

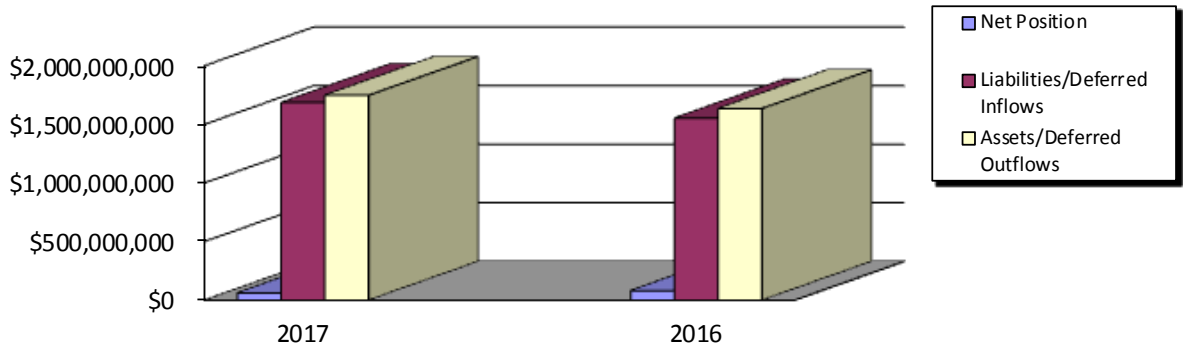
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2017 compared to 2016:

Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2017	2016
Assets:		
Current and Other Assets	\$593,448,691	\$524,345,082
Capital Assets	963,041,742	986,089,048
Total Assets	1,556,490,433	1,510,434,130
Deferred Outflows of Resources:		
Deferred Charge on Refunding	26,323,026	28,352,834
Pension	165,003,135	96,311,452
Total Deferred Outflows of Resources	191,326,161	124,664,286
Liabilities:		
Other Liabilities	52,806,432	47,828,083
Long-Term Liabilities	1,407,813,585	1,318,859,677
Total Liabilities	1,460,620,017	1,366,687,760
Deferred Inflows of Resources:		
Property Taxes	200,541,307	147,531,279
Grants and Other Taxes	12,755,000	0
Pension	12,147,931	39,458,167
Total Deferred Inflows of Resources	225,444,238	186,989,446
Net Position:		
Net Investment in Capital Assets	371,310,816	372,710,520
Restricted	73,449,346	66,741,338
Unrestricted	(383,007,823)	(358,030,648)
Total Net Position	\$61,752,339	\$81,421,210

**Cincinnati City School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**



Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2017, the District’s assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$61,752,339.

At year-end, capital assets represented 62% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2017, totaled \$371,310,816. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District’s net position, \$73,449,346 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current assets increased from the prior year primarily due to an increase in cash and investments and property tax receivable. Capital assets decreased due to depreciation expense being larger than current year additions. Long term liabilities increased due to the increase in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2017 and 2016.

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Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
Program Revenues:		
Charges for Services	\$11,566,102	\$22,113,814
Operating Grants	108,589,212	87,856,672
General Revenue:		
Property Taxes	305,430,115	290,406,120
Revenue in Lieu of Taxes	38,572,039	24,113,624
Grants and Entitlements	212,121,089	224,292,717
Other	14,926,442	2,148,990
Total Revenues	<u>691,204,999</u>	<u>650,931,937</u>
Program Expenses:		
Instruction	360,397,469	336,638,459
Support Services:		
Pupil and Instructional Staff	62,698,929	53,491,254
General and School Administrative, Fiscal and Business	47,205,936	41,615,627
Operations and Maintenance	46,913,820	43,000,810
Pupil Transportation	44,019,249	31,450,938
Central	34,584,762	37,892,403
Operation of Non-Instructional Services	79,605,624	61,543,956
Extracurricular Activities	6,604,429	6,165,869
Interest and Fiscal Charges	<u>28,843,652</u>	<u>30,150,818</u>
Total Expenses	<u>710,873,870</u>	<u>641,950,134</u>
Change in Net Position	(19,668,871)	8,981,803
Beginning - Net Position	<u>81,421,210</u>	<u>72,439,407</u>
Ending - Net Position	<u>\$61,752,339</u>	<u>\$81,421,210</u>

The District revenues came from mainly two sources. Property taxes levied for general and debt service purposes and grants and entitlements comprised 75% 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. As an example, a homeowner with a home valued 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

**Cincinnati City School District
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2017
 (Unaudited)**

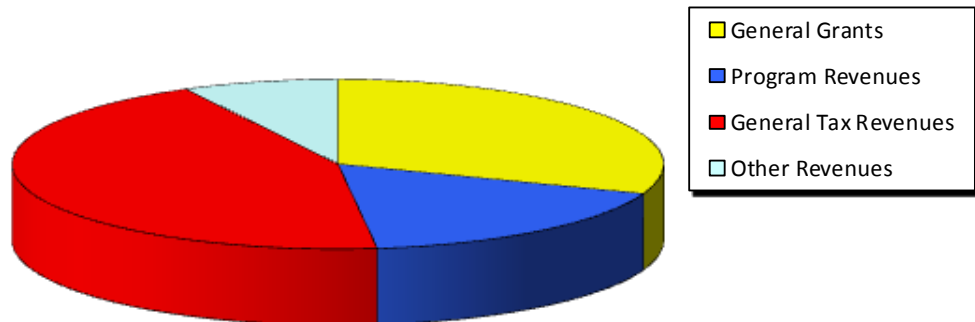
comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 17% of governmental activities for the District in fiscal year 2017. The District’s reliance upon tax revenues is demonstrated in the following graph:

**Governmental Activities
 Revenue Sources**

Revenue Sources	2017	Percent of Total
General Grants	\$212,121,089	30.69%
Program Revenues	120,155,314	17.38%
General Tax Revenues	305,430,115	44.19%
Other Revenues	53,498,481	7.74%
Total Revenues	<u>\$691,204,999</u>	<u>100.00%</u>



Instruction comprises 51% of governmental program expenses. Support services expenses were 33% of governmental program expenses. All other expenses including interest and fiscal charges were 16%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased from the prior year mainly due to an increase in property tax revenue and operation of grants and contributions. Total expenses increased primarily due to an increase in instructional expenses and operation of non-instructional services.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$360,397,469	\$336,638,459	(\$317,897,473)	(\$292,821,796)
Support Services:				
Pupil and Instructional Staff	62,698,929	53,491,254	(46,505,129)	(36,929,141)
School Administrative, General				
Administration, Fiscal and Business	47,205,936	41,615,627	(40,309,008)	(36,884,215)
Operations and Maintenance	46,913,820	43,000,810	(46,060,014)	(41,313,018)
Pupil Transportation	44,019,249	31,450,938	(40,955,845)	(31,372,277)
Central	34,584,762	37,892,403	(34,225,354)	(37,302,929)
Operation of Non-Instructional Services	79,605,624	61,543,956	(32,004,799)	(21,982,499)
Extracurricular Activities	6,604,429	6,165,869	(3,917,282)	(3,222,955)
Interest and Fiscal Charges	28,843,652	30,150,818	(28,843,652)	(30,150,818)
Total Expenses	<u>\$710,873,870</u>	<u>\$641,950,134</u>	<u>(\$590,718,556)</u>	<u>(\$531,979,648)</u>

The District's Funds

The District has two major governmental funds: the General Fund and the Schoolwide Building Program. Assets of these funds comprised \$474,830,882 (81%) of the total \$589,805,039 governmental fund assets.

General Fund: Fund balance at June 30, 2017 was \$218,022,098. Fund balance increased \$22,729,370 from the prior year. The primary reason for the increase in fund balance was due to an increase in property tax and intergovernmental revenue.

Schoolwide Building Project Fund: Fund balance at June 30, 2017 was (\$6,162,345). Fund balance increased \$2,532,548 from the prior year. The primary reason for the increase in fund balance was due to a decrease in total expenditures.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2017, the District amended its general fund budget, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

**Cincinnati City School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**

For the General Fund, final budget basis estimated revenue was \$568,283,295, compared to original budget estimates of \$495,947,972. Of the \$72,335,323 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District’s ending unobligated actual fund balance for the General Fund was \$81,782,394.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$963,041,742 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. Table 4 shows fiscal year 2017 balances compared to fiscal year 2016:

**Table 4
Capital Assets at Year End
(Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land	\$36,231,387	\$36,231,387
Construction in Progress	0	572,800
Land Improvements	4,131,849	4,166,133
Buildings and Improvements	921,635,129	944,323,042
Furniture, Fixtures, and Equipment	868,706	589,619
Vehicles	174,671	206,067
Total Net Capital Assets	<u>\$963,041,742</u>	<u>\$986,089,048</u>

Capital assets decreased due to depreciation expense exceeding current year additions.

See Note 9 to the basic financial statements for further details on the District’s capital assets.

Debt

At fiscal year end, the District had \$618,053,952 in debt outstanding, \$28,755,000 due within one year. Table 5 summarizes debt outstanding at year end.

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**Cincinnati City School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**

**Table 5
Outstanding Debt at Year End**

	Governmental Activities	
	2017	2016
Governmental Activities:		
School Improvement	\$0	\$5,000,000
School Improvement Refunding	34,055,000	41,690,000
School Improvement Refunding	308,460,000	321,850,000
School Improvement Refunding	81,620,000	86,680,000
Energy Conservation	21,715,000	21,715,000
Energy Conservation	3,000,000	3,000,000
Energy Conservation	26,250,000	26,250,000
Premiums General Obligation Bonds	32,508,067	35,108,560
Capital Leases	101,845,000	103,180,000
Premiums Capital Leases	8,600,885	9,138,440
Total Outstanding Debt	<u>\$618,053,952</u>	<u>\$653,612,000</u>

See Note 12 and 13 to the basic financial statements for further details on the District’s long-term obligations.

Economic Factors

The Board of Education and administration closely monitor revenue and expenditures in accordance with the financial forecast. The District has communicated to community stakeholders its 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 Every Student Succeeds Act, are funded by designated State and Federal grants.

The District’s revenues increased by 6.19% and expenses increased 10.74% from prior year amounts.

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. Major initiatives include the District’s My Tomorrow technology and college and workforce readiness initiative, Vision 2020, a multiyear plan to strengthen neighborhood schools through rigorous curriculum, specialized program focuses and preschool expansion through partnerships with Cincinnati Preschool Promise initiative (\$15 million of the District’s \$48 million emergency levy that passed in November 2016 will support this 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.

**Cincinnati City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)**

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, which 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 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 the Treasurer/CFO of the Cincinnati City School District, 2651 Burnet Avenue, P.O. Box 5384, Cincinnati, Ohio 45201-5384.

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Cincinnati City School District, Ohio
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$179,004,029
Restricted Cash and Investments	19,646,607
Receivables (Net):	
Taxes	365,220,579
Accounts	987,623
Interest	165,182
Intergovernmental	27,976,879
Prepaid	437,145
Inventory	10,647
Nondepreciable Capital Assets	36,231,387
Depreciable Capital Assets, Net	<u>926,810,355</u>
 Total Assets	 <u>1,556,490,433</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	26,323,026
	<u>165,003,135</u>
 Total Deferred Outflows of Resources	 <u>191,326,161</u>
Liabilities:	
Accounts Payable	12,473,078
Accrued Wages and Benefits	32,011,806
Contracts Payable	1,911,409
Retainage Payable	95,621
Accrued Interest Payable	2,229,518
Claims Payable	4,085,000
Long-Term Liabilities:	
Due Within One Year	33,106,161
Due In More Than One Year	
Net Pension Liability	749,141,591
Other Amounts	<u>625,565,833</u>
 Total Liabilities	 <u>1,460,620,017</u>
Deferred Inflows of Resources:	
Property Taxes	200,541,307
Grants and Other Taxes	12,755,000
Pension	<u>12,147,931</u>
 Total Deferred Inflows of Resources	 <u>225,444,238</u>
Net Position:	
Net Investment in Capital Assets	371,310,816
Restricted for:	
Debt Service	36,899,634
Capital Projects	3,536,248
State and Federal Grants	31,694,428
Permanent Fund:	
Expendable	551,002
Nonexpendable	768,034
Unrestricted	<u>(383,007,823)</u>
 Total Net Position	 <u>\$61,752,339</u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Position Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$262,184,023	\$5,601,344	\$1,903,799	(\$254,678,880)
Special	86,818,968	849,977	28,874,324	(57,094,667)
Vocational	7,758,507	235,217	2,926,679	(4,596,611)
Other	3,635,971	86,125	2,022,531	(1,527,315)
Support Services:				
Pupil	30,054,505	161,308	3,488,314	(26,404,883)
Instructional Staff	32,644,424	553,794	11,990,384	(20,100,246)
General Administration	351,955	0	0	(351,955)
School Administration	34,925,681	131,606	3,815,569	(30,978,506)
Fiscal	9,062,075	58,605	2,815,279	(6,188,191)
Business	2,866,225	8,021	67,848	(2,790,356)
Operations and Maintenance	46,913,820	93,627	760,179	(46,060,014)
Pupil Transportation	44,019,249	10,089	3,053,315	(40,955,845)
Central	34,584,762	20,766	338,642	(34,225,354)
Operation of Non-Instructional Services	79,605,624	3,245,620	44,355,205	(32,004,799)
Extracurricular Activities	6,604,429	510,003	2,177,144	(3,917,282)
Interest and Fiscal Charges	28,843,652	0	0	(28,843,652)
Totals	\$710,873,870	\$11,566,102	\$108,589,212	(590,718,556)

General Revenues:	
Property Taxes Levied for:	
General Purposes	280,579,314
Debt Service Purposes	24,850,801
Grants and Entitlements, Not Restricted	212,121,089
Revenue in Lieu of Taxes	38,572,039
Investment Earnings	(172,016)
Other Revenues	15,098,458
Total General Revenues	571,049,685
Change in Net Position	(19,668,871)
Net Position - Beginning of Year	81,421,210
Net Position - End of Year	\$61,752,339

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2017

	General	Schoolwide Building Program	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$100,668,824	\$13,842,788	\$49,343,765	\$163,855,377
Restricted Cash and Investments	0	0	19,646,607	19,646,607
Receivables (Net):				
Taxes	334,658,281	0	30,562,298	365,220,579
Accounts	398,449	520,734	68,440	987,623
Interest	79,912	0	85,270	165,182
Intergovernmental	12,755,000	0	15,221,879	27,976,879
Interfund	11,505,000	0	0	11,505,000
Prepaid	133,689	268,205	35,251	437,145
Inventory	0	0	10,647	10,647
Total Assets	460,199,155	14,631,727	114,974,157	589,805,039
Liabilities:				
Accounts Payable	6,825,661	944,332	3,570,096	11,340,089
Accrued Wages and Benefits	9,790,010	19,640,622	2,581,174	32,011,806
Compensated Absences	1,102,926	209,118	25,405	1,337,449
Contracts Payable	0	0	1,911,409	1,911,409
Retainage Payable	0	0	95,621	95,621
Interfund Payable	0	0	11,505,000	11,505,000
Total Liabilities	17,718,597	20,794,072	19,688,705	58,201,374
Deferred Inflows of Resources:				
Property Taxes	211,658,281	0	19,562,298	231,220,579
Grants and Other Taxes	12,755,000	0	3,866,459	16,621,459
Investment Revenue	45,179	0	48,350	93,529
Total Deferred Inflows of Resources	224,458,460	0	23,477,107	247,935,567
Fund Balances:				
Nonspendable	990,520	268,205	803,285	2,062,010
Restricted	0	0	72,097,025	72,097,025
Assigned	18,056,928	0	0	18,056,928
Unassigned	198,974,650	(6,430,550)	(1,091,965)	191,452,135
Total Fund Balances	218,022,098	(6,162,345)	71,808,345	283,668,098
Total Liabilities, Deferred Inflows and Fund Balances	\$460,199,155	\$14,631,727	\$114,974,157	\$589,805,039

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2017

Total Governmental Fund Balance		\$283,668,098
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		963,041,742
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Tax	30,679,272	
Interest	93,529	
Intergovernmental	<u>3,866,459</u>	
		34,639,260
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		9,930,663
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(2,229,518)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(39,280,593)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		26,323,026
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	165,003,135	
Deferred inflows of resources related to pensions	<u>(12,147,931)</u>	
		152,855,204
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(749,141,591)	
Other Amounts	<u>(618,053,952)</u>	
		<u>(1,367,195,543)</u>
Net Position of Governmental Activities		<u><u>\$61,752,339</u></u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Schoolwide Building Program	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$285,921,080	\$0	\$25,773,791	\$311,694,871
Tuition and Fees	6,308,132	0	350,655	6,658,787
Investment Earnings	214,633	0	(408,458)	(193,825)
Intergovernmental	231,835,987	0	95,333,083	327,169,070
Extracurricular Activities	0	0	2,541,328	2,541,328
Charges for Services	0	0	2,348,894	2,348,894
Revenue in Lieu of Taxes	22,668,687	0	15,903,352	38,572,039
Other Revenues	12,575,746	425	2,539,379	15,115,550
Total Revenues	559,524,265	425	144,382,024	703,906,714
Expenditures:				
Current:				
Instruction:				
Regular	127,848,583	113,070,920	1,836,084	242,755,587
Special	39,201,400	35,991,719	10,827,148	86,020,267
Vocational	1,764,465	3,363,083	1,396,990	6,524,538
Other	279,146	1,570,032	1,514,579	3,363,757
Support Services:				
Pupil	21,013,532	3,940,593	3,245,687	28,199,812
Instructional Staff	17,704,057	4,453,030	9,341,366	31,498,453
General Administration	318,094	0	0	318,094
School Administration	13,415,455	15,270,138	3,375,002	32,060,595
Fiscal	5,963,347	0	2,455,925	8,419,272
Business	1,416,835	5,330	60,983	1,483,148
Operations and Maintenance	33,502,165	6,049,275	1,118,590	40,670,030
Pupil Transportation	43,420,818	0	377,223	43,798,041
Central	30,616,211	0	424,638	31,040,849
Operation of Non-Instructional Services	3,247,772	122,649	48,274,768	51,645,189
Extracurricular Activities	4,107,142	1,267	2,278,700	6,387,109
Capital Outlay	705,394	0	9,096,083	9,801,477
Debt Service:				
Principal Retirement	0	0	32,420,000	32,420,000
Interest and Fiscal Charges	0	0	30,045,556	30,045,556
Total Expenditures	344,524,416	183,838,036	158,089,322	686,451,774
Excess of Revenues Over (Under) Expenditures	214,999,849	(183,837,611)	(13,707,298)	17,454,940
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	13,700	0	0	13,700
Transfers In	195,475	186,370,159	23,312,864	209,878,498
Transfers (Out)	(192,479,654)	0	(17,398,844)	(209,878,498)
Total Other Financing Sources (Uses)	(192,270,479)	186,370,159	5,914,020	13,700
Net Change in Fund Balance	22,729,370	2,532,548	(7,793,278)	17,468,640
Fund Balance - Beginning of Year	195,292,728	(8,694,893)	79,601,623	266,199,458
Fund Balance - End of Year	\$218,022,098	(\$6,162,345)	\$71,808,345	\$283,668,098

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balance - Total Governmental Funds		\$17,468,640
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital asset additions 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 of the difference between capital asset additions and depreciation in the current period.</p>		
Capital assets used in governmental activities	3,522,387	
Depreciation Expense	<u>(26,554,209)</u>	(23,031,822)
<p>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. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.</p>		
		(15,484)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions	37,969,698	
Cost of benefits earned net of employee contributions	<u>(65,533,534)</u>	(27,563,836)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent Property Taxes	(6,264,756)	
Interest	21,809	
Intergovernmental	<u>(6,458,768)</u>	(12,701,715)
<p>Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		32,420,000
<p>In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.</p>		
		93,664
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated Absences	(324,583)	
Amortization of Bond Premium	3,138,048	
Amortization of Deferred Charge on Refunding	<u>(2,029,808)</u>	783,657
<p>The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.</p>		
Change in Net Position - Internal Service Funds		<u>(7,121,975)</u>
Change in Net Position of Governmental Activities		<u><u>(\$19,668,871)</u></u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Net Position
Proprietary Fund
June 30, 2017

	<u>Governmental Activities- Internal Service Fund</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$15,148,652</u>
Total Current Assets	<u>15,148,652</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	1,132,989
Claims Payable	<u>4,085,000</u>
Total Current Liabilities	<u>5,217,989</u>
Net Position:	
Unrestricted	<u>9,930,663</u>
Total Net Position	<u>\$9,930,663</u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2017

	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Interfund Charges	\$51,871,681
Investment Earnings	<u>25</u>
Total Operating Revenues	<u>51,871,706</u>
Operating Expenses:	
Claims	<u>58,993,681</u>
Total Operating Expenses	<u>58,993,681</u>
Change in Net Position	(7,121,975)
Net Position - Beginning of Year	<u>17,052,638</u>
Net Position - End of Year	<u>\$9,930,663</u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2017

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$51,871,706
Cash Payments for Claims	<u>(58,852,692)</u>
Net Cash Provided (Used) by Operating Activities	<u>(6,980,986)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,980,986)
Cash and Cash Equivalents - Beginning of Year	<u>22,129,638</u>
Cash and Cash Equivalents - End of Year	<u>15,148,652</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(7,121,975)
Changes in Assets & Liabilities:	
Increase (Decrease) in Payables	1,132,989
Increase (Decrease) in Claims Payables	<u>(992,000)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$6,980,986)</u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Education Private Purpose Trust	Agency
	<u>Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	<u>\$1,525,978</u>	<u>\$93,738</u>
Total Assets	<u>1,525,978</u>	<u>93,738</u>
Liabilities:		
Accounts Payable	6,825	10,265
Other Liabilities	<u>0</u>	<u>83,473</u>
Total Liabilities	<u>6,825</u>	<u>\$93,738</u>
Net Position:		
Held in Trust	<u>1,519,153</u>	
Total Net Position	<u>\$1,519,153</u>	

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2017

	Education Private Purpose Trust
Additions:	
Donations	\$2,577
Investment Earnings	<u>(17,390)</u>
Total Additions	<u>(14,813)</u>
Deductions:	
Instruction	12,817
Support Services	34,196
Operation of Non-Instructional Services	30,998
Extracurricular Activities	<u>15,000</u>
Total Deductions	<u>93,011</u>
Change in Net Position	(107,824)
Net Position - Beginning of Year	<u>1,626,977</u>
Net Position - End of Year	<u><u>\$1,519,153</u></u>

See accompanying notes to the basic financial statements.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 1 - Summary Of Significant Accounting Policies

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, Golf Manor, most of the village 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.

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.

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.

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.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
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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).

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:

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

Schoolwide Building Program Fund - This fund is used to pool Federal, State and local funds in order to upgrade the overall instructional program of a school building where at least 40 percent of the children are from low-income families.

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.

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.

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.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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, 2017, and which are not intended to finance fiscal 2017 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.

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.

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.

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.

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

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
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and Financial Reporting for Certain Investments and for External Investment Pools”, the District records all its investments at fair value.

STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Donor-Restricted Endowment

The District administers an endowment fund, which is restricted by the donors for various purposes through-out the District. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the District is \$551,002. The District authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which the services are consumed.

Capital Assets

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.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value. 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.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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.

Depreciation

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-20 years
Buildings and Improvements	30-50 years
Furniture, Fixtures and Equipment	3-15 years
Vehicles	5 years

Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Capital Leases	Debt Service Fund
Compensated Absences	General Fund, Special Revenue Funds

Compensated Absences

Compensated absences should be accrued as employees earn them if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment. The District includes in its liabilities any employee who has at least 20 years of service or an employee who has five years of service and is at least 60 years of age.

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Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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

	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
<u>Vacation:</u> How Earned	Not Eligible	*27 days per year for those hired as of 7/31/13. For those hired after 7/31/13: 0-5 yr = 15 days/yr., after 5 th year anniversary = 20 days, after 10 th yr. anniversary = 25 days	.84 days to 1.67 days per month of employment (10 to 20 days per year) depending on length of service.
Maximum Accumulation	Not Applicable	54 days if hired as of 8/1/02, 10 days if hired after 8/1/02	2 times the yearly accrual plus current year's accumulation
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave:</u> How Earned	1.25 days month of employment (15 days per year. If 96% attendance, then 1 additional day.	1.25 days month of employment (15 days per year.	1.25 days month of employment (15 days per year.
Maximum Accumulation	Unlimited	Unlimited	Unlimited
Vested	As Earned	As Earned	As Earned
Termination Entitlement	½ paid upon retirement or upon death with minimum service requirement. ¼ for all new hires after 6/30/04.	½ paid upon retirement or upon death with minimum service requirement. ¼ for all days earned after 9/1/01.	½ paid upon retirement or upon death with minimum service requirement. ¼ for all new hires after 6/30/04.
<u>Personal Leave:</u> How Earned	3 days granted as of August 1	3 days granted as of August 1	3 days granted as of August 1
Maximum Accumulation	Not Applicable Converted to sick leave on August 1	Not Applicable Converted to sick leave on August 1	Not Applicable Converted to sick leave on August 1
Vested	Not Applicable	Not Applicable	Not Applicable
Termination Entitlement	Not Applicable	Not Applicable	Not Applicable

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

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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.

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.

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.

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.

Restricted Assets

Restricted assets in the governmental funds represent cash and cash equivalents set aside to establish amounts set aside for debt retirement purposes, amounts to be utilized for capital improvements and amounts held in retainage for contractors.

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:

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

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.

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.

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

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 10.

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, grants and other taxes (which includes tax incremental financing 'TIF'), pension, and investment revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Other taxes (TIFs) have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. For more pension related information, see Note 10.

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.

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.

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 – 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:

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Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Fund Balances	General Fund	Schoolwide Building Program	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$133,689	\$268,205	\$35,251	\$437,145
Unclaimed Monies	856,831	0	0	856,831
Endowment	0	0	768,034	768,034
Total Nonspendable	990,520	268,205	803,285	2,062,010
Restricted for:				
Food Service	0	0	13,917,931	13,917,931
Other Grants	0	0	4,151,510	4,151,510
Classroom Facilities Maintenance	0	0	3,930,552	3,930,552
Auxiliary Services	0	0	209,973	209,973
School Improvement	0	0	71,309	71,309
Chapter I	0	0	3,486,436	3,486,436
Other Special Revenue	0	0	5,745,773	5,745,773
Debt Service	0	0	36,496,291	36,496,291
Permanent Improvement	0	0	2,939,869	2,939,869
Replacement	0	0	1,177	1,177
Classroom Facilities	0	0	595,202	595,202
Permanent	0	0	551,002	551,002
Total Restricted	0	0	72,097,025	72,097,025
Assigned to:				
Budgetary Resource	16,659,200	0	0	16,659,200
Public School Support	408,198	0	0	408,198
Encumbrances	989,530	0	0	989,530
Total Assigned	18,056,928	0	0	18,056,928
Unassigned (Deficit)	198,974,650	(6,430,550)	(1,091,965)	191,452,135
Total Fund Balance	\$218,022,098	(\$6,162,345)	\$71,808,345	\$283,668,098

Note 3 – Deficit Fund Equities

The following funds had deficit fund balances at June 30, 2017:

Fund	Deficit
Schoolwide Building Program Fund	\$6,162,345
Other Governmental Funds:	
Title VI-B	244,886
Miscellaneous Federal Grants Fund	839,644

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

The fund deficits 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 4 - 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;
- 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

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

that investments in securities described in this division are made only through eligible institutions, and

- The State Treasury Asset Reserve of Ohio (STAR Ohio).

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 \$73,828,005 and the bank balance was \$75,741,973. The Federal Deposit Insurance Corporation (FDIC) covered \$250,000 of the bank balance and the remaining \$75,491,973 was insured by collateralized securities held by the pledging institution’s trust department in the District’s name.

Investments

The District's investments at June 30, 2017 were as follows:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Common Stock	\$1,196,092	Level 1	0.00
Federal Home Loan Bank	10,880,034	Level 2	2.55
Federal Home Loan Mortgage	3,947,185	Level 2	1.79
Federal National Mortgage Association	33,868,345	Level 2	2.80
Federal Home Loan Mortgage Corporation	7,057,151	Level 2	3.00
Federal Farm Credit Bank	21,086,700	Level 2	6.17
U.S. Treasury Notes	3,299,960	Level 1	2.71
Federal Home Loan Bank - Discount Note	3,034,287	Level 2	0.72
Commercial Paper	38,217,516	Level 2	0.54
STAR Ohio	3,531,898	N/A	0.12
Money Market Funds	323,179	N/A	0.00
Total Investments	<u>\$126,442,347</u>		
Portfolio Weighted Average Maturity			2.48

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2017. STAR Ohio is reported at its share price (Net asset value per share).

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, less than 1% are common stock, 9% are Federal Home Loan Bank, 3% are Federal Home Loan Mortgage, 27% are Federal National Mortgage Association, 6% are Federal Home Loan Mortgage Corporation, 17% are Federal Farm Credit Bank, 3% are U.S. Treasury Notes, 2% are Federal Home Loan Bank – Discount Note, 30% are Commercial Paper, 3% are STAR Ohio, and less than 1% are Money Market Funds.

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. The District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, U.S. Treasury Notes, and Federal Home Loan Bank – Discount Note were rated AAA by Standard & Poor's and Aaa by Moody's Investor Service. Commercial Paper was rated A-1+ by Standard & Poor's ratings and P-1 by Moody's Investment Service. The District's investments in STAROhio were rated AAAM by Standard & Poor's. Money Market Funds were not rated.

Note 5 - 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 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, 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

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semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2011, were levied after April 1, 2016 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, 2017, are available to finance fiscal year 2017 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, 2017 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 yearend. 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, 2017 was \$123,000,000 in the General Fund and \$11,000,000 in the Debt Service Fund.

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

Note 6 – Receivables

Receivables at June 30, 2017 consisted of taxes, accounts, interest, interfund, and intergovernmental.

Note 7 – Transfers

Following is a summary of transfers in and out for all funds at June 30, 2017:

Fund	Transfer In	Transfer Out
General Fund	\$195,475	\$192,479,654
Schoolwide Building Program Fund	186,370,159	0
Other Governmental Funds	23,312,864	17,398,844
Total All Funds	<u>\$209,878,498</u>	<u>\$209,878,498</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

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collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund provided transfers out of \$175,578,045 to the Schoolwide Building Program Fund in accordance with a consolidated funding application approved by the Ohio Department of Education, \$12,497,549 to the Debt Service Fund for the retirement of various debt issues, \$4,004,325 to the Permanent Improvement Fund to provide for capital improvements and \$399,735 to various Other Governmental Funds.

Transfers out totaling \$10,792,114 from the Chapter 1 Fund and the Other Special Revenue Fund were made to the Schoolwide Building Program Fund in accordance with a consolidated funding application approved by the Ohio Department of Education.

Transfers out totaling \$139,966 from the Classroom Facilities Fund was made to the Building Fund to close out the Building Fund as the OSFC project has been completed.

Transfers out totaling \$4,449,984 from the Classroom Facilities Fund was made to the Permanent Improvement Fund in accordance with the original usage of funding that resulted from a bond issue for the rebuilding, reconstructing, renovating, equipping and furnishing of buildings within the District.

Transfers out totaling \$1,918,021 from various Other Governmental Funds were made to the General Fund and various 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.

Transfers out totaling \$98,759 were made from Other Governmental Funds to Other Governmental Funds.

All transfers above are in compliance with the Ohio Revised Code.

Note 8 - Interfund Receivables/Payables

Interfund loans receivable/payable to/from other funds at June 30, 2017 from one individual fund to another are as follows:

Fund	Receivables	Payables
General Fund	\$11,505,000	\$0
Other Governmental Funds	0	11,505,000
Total All Funds	<u>\$11,505,000</u>	<u>\$11,505,000</u>

Note 9 - Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2017:

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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$36,231,387	\$0	\$0	\$36,231,387
Construction in Progress	572,800	0	572,800	0
<i>Capital Assets, being depreciated:</i>				
Land Improvements	12,244,503	339,500	0	12,584,003
Buildings and Improvements	1,150,982,881	3,250,660	0	1,154,233,541
Furniture, Fixtures, and Equipment	1,776,148	476,245	26,016	2,226,377
Vehicles	1,117,962	28,782	99,200	1,047,544
Totals at Historical Cost	1,202,925,681	4,095,187	698,016	1,206,322,852
Less Accumulated Depreciation:				
Land Improvements	8,078,370	373,784	0	8,452,154
Building and Improvements	206,659,839	25,938,573	0	232,598,412
Furniture, Fixtures, and Equipment	1,186,529	181,674	10,532	1,357,671
Vehicles	911,895	60,178	99,200	872,873
Total Accumulated Depreciation	216,836,633	26,554,209	109,732	243,281,110
Governmental Activities Capital Assets, Net	<u>\$986,089,048</u>	<u>(\$22,459,022)</u>	<u>\$588,284</u>	<u>\$963,041,742</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$82,160
Special	11,492
Vocational	9,967
Support Services:	
Pupil	2,340
Instructional Staff	631
Operations and Maintenance	507,281
Central	113,851
Operation of Non-Instructional Services	<u>25,826,487</u>
Total Depreciation Expense	<u>\$26,554,209</u>

Note 10 - Defined Benefit Pension Plans

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

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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 employer’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 obligation for this liability to annually required payments. The employer cannot control benefit terms or the manner in which pensions are financed; however, the employer 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 accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – 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 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 65 with 5 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.

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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 or \$86.00 multiplied by the years of service credit. 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 employer 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, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent contribution rate was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$11,337,966 for fiscal year 2017. Of this amount \$1,555,441 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – 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.

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 increased 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

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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.

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, 2017, plan members were required to contribute 14 percent of their annual covered salary. The employer was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$26,631,732 for fiscal year 2017. Of this amount \$2,206,302 is reported as accrued wages and benefits.

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the 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:

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	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$177,342,597	\$571,798,994	\$749,141,591
Proportion of Net Pension Prior Measurement Date	2.49986170%	1.74740380%	
Proportion of the Net Pension Current Measurement Date	<u>2.42301850%</u>	<u>1.70823873%</u>	
Change in Proportionate Share Pension Expense	-0.07684320%	-0.03916507%	
	19,008,717	46,524,817	65,533,534

At June 30, 2017, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,391,942	\$23,103,427	\$25,495,369
Changes of assumptions	11,838,589	0	11,838,589
Net difference between projected and actual earnings on pension plan investments	14,628,189	47,474,678	62,102,867
Changes in employer proportionate share of net pension liability	7,253,101	20,343,511	27,596,612
Contributions subsequent to the measurement date	<u>11,337,966</u>	<u>26,631,732</u>	<u>37,969,698</u>
Total Deferred Outflows of Resources	<u>\$47,449,787</u>	<u>\$117,553,348</u>	<u>\$165,003,135</u>
Deferred Inflows of Resources			
Changes in employer proportionate share of net pension liability	<u>\$3,260,656</u>	<u>\$8,887,275</u>	<u>\$12,147,931</u>
Total Deferred Inflows of Resources	<u>\$3,260,656</u>	<u>\$8,887,275</u>	<u>\$12,147,931</u>

\$37,969,698 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2018	\$9,427,940	\$15,733,994	\$25,161,934
2019	9,417,398	15,733,994	25,151,392
2020	9,800,824	33,951,362	43,752,186
2021	<u>4,205,003</u>	<u>16,614,991</u>	<u>20,819,994</u>
Total	<u>\$32,851,165</u>	<u>\$82,034,341</u>	<u>\$114,885,506</u>

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Actuarial Assumptions - 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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50-18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 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 RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

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. 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 averaged 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:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate

The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$234,790,546	\$177,342,597	\$129,256,273

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2016, 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, including inflation
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.

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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, 2016, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>1.00</u>	<u>3.00</u>
Total	<u>100.00 %</u>	<u>7.61 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2016. 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, 2016.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Proportionate share of the net pension liability	\$759,874,401	\$571,798,994	\$413,146,303

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Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the net pension liability is expected to be significant.

Note 11 - Post Employment Benefits

School Employees Retirement System

Health Care Plan Description – Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2.0% 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. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$496,101, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2017, STRS did not allocate any employer contributions to post-employment health care. The District’s contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$0, respectively.

Note 12- Long-Term Debt and Other Obligations

Detail of the changes in the long-term debt of the District for the year ended June 30, 2017 is as follows:

		Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
School Improvement (Original Issue Amount = \$5,000,000)	0.970%	\$5,000,000	\$0	(\$5,000,000)	\$0	\$0
School Improvement Refunding (Original Issue Amount = \$69,405,000)	3.0-5.0%	41,690,000	0	(7,635,000)	34,055,000	8,020,000
School Improvement Refunding (Original Issue Amount = \$380,945,000)	4.0-5.25%	321,850,000	0	(13,390,000)	308,460,000	14,060,000
School Improvement Refunding (Original Issue Amount = \$104,900,000)	2.5-5.25%	86,680,000	0	(5,060,000)	81,620,000	5,315,000
Energy Conservation (Original Issue Amount = \$21,715,000)	5.439%	21,715,000	0	0	21,715,000	0
Energy Conservation (Original Issue Amount = \$3,000,000)	4.991%	3,000,000	0	0	3,000,000	0
Energy Conservation (Original Issue Amount = \$26,250,000)	5.150%	26,250,000	0	0	26,250,000	0
Premium General Obligation Bond		35,108,560	0	(2,600,493)	32,508,067	0
Subtotal General Obligation Bonds		541,293,560	0	(33,685,493)	507,608,067	27,395,000
Capital Leases Payable	4.0-5.0%	1,075,000	0	(1,075,000)	0	0
2014 Refunding Lease	3.25-5.0%	72,490,000	0	0	72,490,000	800,000
2015 Refunding Lease	0.45-3.75%	29,615,000	0	(260,000)	29,355,000	560,000
Premium on Capital Lease		9,138,440	0	(537,555)	8,600,885	0
Subtotal Capital Leases Payable		112,318,440	0	(1,872,555)	110,445,885	1,360,000
Compensated Absences		39,671,841	6,704,538	(5,758,337)	40,618,042	4,351,161
Subtotal Bonds and Other Amounts		693,283,841	6,704,538	(41,316,385)	658,671,994	33,106,161
Net Pension Liabilities						
STRS		482,931,304	88,867,690	0	571,798,994	0
SERS		142,644,532	34,698,065	0	177,342,597	0
Subtotal Net Pension Liability		625,575,836	123,565,755	0	749,141,591	0
Total Long-Term Obligations		\$1,318,859,677	\$130,270,293	(\$41,316,385)	\$1,407,813,585	\$33,106,161

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.

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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%.

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, 2017 follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2018	\$27,395,000	\$24,089,498	\$51,484,498
2019	28,730,000	22,700,497	51,430,497
2020	30,175,000	21,223,902	51,398,902
2021	26,695,000	19,797,790	46,492,790
2022	28,090,000	18,379,059	46,469,059
2023-2027	152,640,000	69,257,046	221,897,046
2028-2032	181,375,000	27,736,219	209,111,219
Total	<u>\$475,100,000</u>	<u>\$203,184,011</u>	<u>\$678,284,011</u>

Defeased Debt

In September 2006, the District partially refunded \$397,305,000 of the Classroom Facilities Construction and Improvement Bonds Series 2003, in the original issue amount of \$480,000,000, through the issuance of the \$380,945,000 of the Classroom Facilities Construction and Improvement Refunding Bonds Series 2006. The net proceeds were 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 2006 refunding bonds had an outstanding balance of \$308,460,000 as of June 30, 2017.

In July 2005, the District partially refunded \$70,095,000 of the Improvement Bonds Series 2001, through the issuance of the \$69,405,000 of the School Improvement Refunding Bonds 2005. The net proceeds were 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 2005 refunding bonds had an outstanding balance of \$34,055,000 as of June 30, 2017.

In May 2010, the District refunded \$77,685,000 of the School Improvement Bonds Series 2002, in the original issue amount of \$120,000,000, through the issuance of the \$104,900,000 of School Improvement Refunding Bonds, Series 2010. Proceeds in the amount of \$103,964,664 from the 2010 Refunding Bonds were 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

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
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used to pay the principal and interest on the refunded bonds. The 2010 refunding bonds had an outstanding balance of \$81,620,000 as of June 30, 2017.

Note 13 - 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, 2017:

Fiscal Year Ending June 30,	Capital Lease
2018	\$5,886,956
2019	5,890,911
2020	5,881,722
2021	5,879,543
2022	5,878,268
2023-2027	52,929,279
2028-2032	56,582,555
2033	<u>11,302,688</u>
Total Minimum Lease Payments	150,231,922
Less: Amount Representing Interest at the District's incremental borrowing rate of interest	<u>(48,386,922)</u>
Present Value of Minimum Lease Payments	<u><u>\$101,845,000</u></u>

In November 2014, the District partially defeased the 2006 Certificates of Participation (COPS) in the amount of \$75,850,000, through of the issuance of \$72,490,000 of the 2014 COPS. The net proceeds of the 2014 COPS were 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 2006 COPS. The refunded COPS, were called on December 15, 2016. The 2014 COPS had an outstanding balance of \$72,490,000 as of June 30, 2017.

In February 2015, the District partially defeased the 2006 COPS in the amount of \$26,945,000 through the issuance of \$30,055,000 of the 2015 COPS. The net proceeds of the 2015 COPS were 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 2006 COPS. The refunded COPS, were called on December 15, 2016. The 2015 COPS had an outstanding balance of \$29,355,000 as of June 30, 2017.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 14 - 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 four fiscal years.

For fiscal year 2017, 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 2017 was \$570,094. The premium cost paid in fiscal year 2017 was \$1,041,812. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2017, the Ohio Bureau of Workers Compensation established a reserve of \$866,696 for future claim payments.

The District is self-insured for employee health care. The District began accounting for the self-insurance in a separate Internal Service Fund in 2001. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on a rate of 17.15% of gross payroll. Incurred but not reported liabilities (IBNR's) are determined by the actuarial firm of Mercer. For the fiscal year ending June 30, 2017, the IBNR's were determined to be \$4,085,000.

Changes in the fund's claims liability amount in 2017 and 2016 were:

	<u>2017</u>	<u>2016</u>
Claims Liability at Beginning of Fiscal Year	\$5,077,000	\$4,111,000
Current Year Claims and Changes in Estimates	55,572,092	56,991,390
Claims Payments	<u>(56,564,092)</u>	<u>(56,025,390)</u>
Balance at Fiscal Year End	<u>\$4,085,000</u> *	<u>\$5,077,000</u>

* The District estimates all claims outstanding at the end of the year will be paid off within one year.

Dental insurance is offered to employees through Dental Care Plus. Total premiums paid to Dental Care Plus were \$2,262,166.94. Dental Care Plus does not require an employee payroll deduction.

Effective 01/01/2017 all Wellness Dollars will be put onto the Navia Card. Navia will administer all claims and reimbursements. An employee could be audited by the IRS; therefore, it is up to the employee to keep such receipts and records.

Employees earn wellness dollars (up to \$500/employee plus \$500/spouse) in the current year by participating in the Wellness Works Plan and turning in all documentation by 12/31 of each year. These monies will be deposited to their Navia Card the following calendar year by March 1st of said year.

Effective 01/01/2018, there will be no limit to the amount carried over from year to year and once an Employee has been given the money on their Navia Card, it is theirs to keep whether they resign or retire from CPS.

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Note 15 – 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.

	<u>Capital Acquisition</u>
Set Aside Cash Balance as of June 30, 2016	\$0
Current Year Set Aside Requirement	5,498,278
Current Year Offset Credits	(12,918,989)
Qualifying Disbursements	<u>(27,708,505)</u>
Set Aside Cash Balance as of June 30, 2017	<u>(\$35,129,216)</u>
Balance Carried Forward to FY 2018	<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.

Note 16 – Contingencies

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, 2017.

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.

Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Note 17 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio

Cincinnati City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2017

Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Deer Park has entered into such an agreement. Under this agreement the District’s property taxes were reduced by approximately \$18,350,966. The District is not receiving any amounts from this other government in association with the forgone property tax revenue.

Note 18 – Implementation Of New Accounting Principles

For the fiscal year ended June 30, 2017, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *“Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans”*, GASB Statement No. 80, *“Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14”* and GASB Statement No. 82, *“Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73”*.

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government’s financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the District.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Cincinnati City School District, Ohio
 Schedule of District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System
 Last Three Fiscal Years (1)

	2017	2016	2015
District's proportion of the net pension liability	1.70823873%	1.74740381%	1.62880719%
District's proportionate share of the net pension liability	\$571,798,994	\$482,931,304	\$396,182,278
District's covered-employee payroll	180,593,564	184,907,993	169,293,408
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	316.62%	261.17%	234.02%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%

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

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2015 is not available and amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information.

Cincinnati City School District, Ohio
 Schedule of District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System
 Last Three Fiscal Years (1)

	2017	2016	2015
District's proportion of the net pension liability	2.42301850%	2.49986200%	2.25901800%
District's proportionate share of the net pension liability	\$177,342,597	\$142,644,532	\$114,327,615
District's covered-employee payroll	63,806,729	64,264,135	66,015,094
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.94%	221.97%	173.18%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%

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

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2015 is not available and amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information.

Cincinnati City School District, Ohio
 Schedule of District Contributions
 State Teachers Retirement System
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
Contractually required contribution	\$26,631,732	\$25,283,099	\$25,887,119	\$22,008,143
Contributions in relation to the contractually required contribution	<u>26,631,732</u>	<u>25,283,099</u>	<u>25,887,119</u>	<u>\$22,008,143</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	190,226,657	180,593,564	184,907,993	169,293,408
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	13.00%

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

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

See accompanying notes to the Required Supplementary Information.

Cincinnati City School District, Ohio
 Schedule of District Contributions
 School Employees Retirement System
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
Contractually required contribution	\$11,337,966	\$8,932,942	\$8,470,013	\$9,149,692
Contributions in relation to the contractually required contribution	<u>11,337,966</u>	<u>8,932,942</u>	<u>8,470,013</u>	<u>\$9,149,692</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	80,985,471	63,806,729	64,264,135	66,015,094
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.18%	13.86%

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

(1) - The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

See accompanying notes to the Required Supplementary Information.

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$252,852,085	\$289,731,231	\$284,686,854	(\$5,044,377)
Revenue in lieu of taxes	20,133,788	23,070,354	22,668,687	(401,667)
Tuition and Fees	4,517,652	5,176,564	5,086,437	(90,127)
Investment Earnings	1,021,374	1,170,344	1,149,968	(20,376)
Intergovernmental	205,911,203	235,943,898	231,835,987	(4,107,911)
Extracurricular Activities	13,156	15,074	14,812	(262)
Other Revenues	11,498,714	13,175,831	12,946,433	(229,398)
Total Revenues	495,947,972	568,283,296	558,389,178	(9,894,118)
Expenditures:				
Current:				
Instruction:				
Regular	130,897,330	133,164,300	130,652,952	2,511,348
Special	39,274,332	39,954,512	39,201,009	753,503
Vocational	1,833,378	1,865,130	1,829,955	35,175
Other	227,829	231,775	227,404	4,371
Support Services:				
Pupil	21,743,467	22,120,035	21,702,873	417,162
Instructional Staff	17,804,624	18,112,977	17,771,384	341,593
General Administration	345,787	351,775	345,141	6,634
School Administration	14,273,093	14,520,284	14,246,446	273,838
Fiscal	6,143,521	6,249,918	6,132,051	117,867
Business	1,073,666	1,092,261	1,071,662	20,599
Operations and Maintenance	34,803,907	35,406,665	34,738,930	667,735
Pupil Transportation	43,374,111	44,125,294	43,293,134	832,160
Central	31,959,822	32,513,324	31,900,155	613,169
Operation of Non-Instructional Services	2,800,680	2,849,184	2,795,451	53,733
Extracurricular Activities	4,124,589	4,196,022	4,116,889	79,133
Capital Outlay	706,714	718,953	705,394	13,559
Total Expenditures	351,386,850	357,472,409	350,730,830	6,741,579
Excess of Revenues Over (Under) Expenditures	144,561,122	210,810,887	207,658,348	(3,152,539)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	12,168	13,943	13,700	(243)
Advances In	10,972,691	12,573,087	12,354,183	(218,904)
Advances (Out)	(11,526,519)	(11,726,144)	(11,505,000)	221,144
Transfers In	31,546	36,147	35,518	(629)
Transfers (Out)	(192,450,473)	(195,783,463)	(192,091,179)	3,692,284
			0	
Total Other Financing Sources (Uses)	(192,960,587)	(194,886,430)	(191,192,778)	3,693,652
Net Change in Fund Balance	(48,399,465)	15,924,457	16,465,570	541,113
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	65,316,824	65,316,824	65,316,824	0
Fund Balance End of Year	\$16,917,359	\$81,241,281	\$81,782,394	\$541,113

See accompanying notes to the required supplementary information.

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Schoolwide Building Program Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues	\$450	\$451	\$425	(\$26)
Total Revenues	450	451	425	(26)
Expenditures:				
Current:				
Instruction:				
Regular	118,521,008	115,667,524	114,839,252	828,272
Special	37,621,414	36,715,649	36,452,736	262,913
Vocational	3,584,560	3,498,259	3,473,209	25,050
Other	1,635,305	1,595,934	1,584,506	11,428
Support Services:				
Pupil	4,304,944	4,201,300	4,171,215	30,085
Instructional Staff	4,766,097	4,651,349	4,618,042	33,307
School Administration	16,310,047	15,917,370	15,803,389	113,981
Business	5,501	5,368	5,330	38
Operations and Maintenance	6,389,245	6,235,419	6,190,768	44,651
Operation of Non-Instructional Services	124,172	121,183	120,315	868
Extracurricular Activities	1,308	1,276	1,267	9
Total Expenditures	193,263,601	188,610,631	187,260,029	1,350,602
Excess of Revenues Over (Under) Expenditures	(193,263,151)	(188,610,180)	(187,259,604)	1,350,576
Other Financing Sources (Uses):				
Advances (Out)	(1,077,909)	(1,051,958)	(1,044,425)	7,533
Transfers In	197,219,203	197,985,728	186,370,159	(11,615,569)
Total Other Financing Sources (Uses)	196,141,294	196,933,770	185,325,734	(11,608,036)
Net Change in Fund Balance	2,878,143	8,323,590	(1,933,870)	(10,257,460)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,044,425	1,044,425	1,044,425	0
Fund Balance End of Year	\$3,922,568	\$9,368,015	(\$889,445)	(\$10,257,460)

See accompanying notes to the required supplementary information.

Cincinnati City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

Note 1 - 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.

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.

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 2017.

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 "Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual

Cincinnati City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

results to the final budget, modified for the aforementioned advances and transfers, including all amendments and modifications.

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.

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 to the budgetary basis for the General Fund and the Schoolwide Building Fund:

Net Change in Fund Balance		
	General Fund	Schoolwide Building Program Fund
GAAP Basis (as reported)	\$22,729,370	\$2,532,548
Increase (Decrease):		
GAAP Basis		
Revenue Accruals	(1,135,087)	0
Expenditure Accruals	1,608,777	(3,421,993)
Transfer In	(159,957)	0
Transfer (Out)	388,475	0
Advances In	12,354,183	0
Advances (Out)	(11,505,000)	0
Encumbrances	(7,623,067)	(1,044,425)
Funds Budgeted Elsewhere	(192,124)	0
Budget Basis	\$16,465,570	(\$1,933,870)

Note 2 – SERS Changes in Benefits Terms and Assumptions

Changes in Benefit Terms

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Cincinnati City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

Changes in Assumptions

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (1) discount rate was reduced from 7.75% to 7.50%, (2) the assumed rate of inflation was reduced from 3.25% to 3.00%, (3) payroll growth assumption was reduced from 4.00% to 3.50%, (4) assumed real wage growth was reduced from 0.75% to 0.50%, (5) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (6) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (7) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (8) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

Note 3 – STRS Changes in Benefits Terms and Assumptions

Changes in Benefit Terms

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in Assumptions

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The District has only one Debt Service fund for fiscal year 2017.

Capital Project Funds

The Building Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$36,668,687	\$5,908,385	\$5,447,657	\$1,319,036	\$49,343,765
Restricted Cash and Investments	0	19,550,986	95,621	0	19,646,607
Receivables (Net):					
Taxes	0	30,562,298	0	0	30,562,298
Accounts	68,440	0	0	0	68,440
Interest	0	85,270	0	0	85,270
Intergovernmental	15,221,879	0	0	0	15,221,879
Prepaid	35,251	0	0	0	35,251
Inventory	10,647	0	0	0	10,647
Total Assets	52,004,904	56,106,939	5,543,278	1,319,036	114,974,157
Liabilities:					
Accounts Payable	3,570,096	0	0	0	3,570,096
Accrued Wages and Benefits	2,581,174	0	0	0	2,581,174
Compensated Absences	25,405	0	0	0	25,405
Contracts Payable	0	0	1,911,409	0	1,911,409
Retainage Payable	0	0	95,621	0	95,621
Interfund Payable	11,505,000	0	0	0	11,505,000
Total Liabilities	17,681,675	0	2,007,030	0	19,688,705
Deferred Inflows of Resources:					
Property Taxes	0	19,562,298	0	0	19,562,298
Grants and Other Taxes	3,866,459	0	0	0	3,866,459
Investment Revenue	0	48,350	0	0	48,350
Total Deferred Inflows of Resources	3,866,459	19,610,648	0	0	23,477,107
Fund Balances:					
Nonspendable	35,251	0	0	768,034	803,285
Restricted	31,513,484	36,496,291	3,536,248	551,002	72,097,025
Unassigned	(1,091,965)	0	0	0	(1,091,965)
Total Fund Balances	30,456,770	36,496,291	3,536,248	1,319,036	71,808,345
Total Liabilities, Deferred Inflows and Fund Balances	\$52,004,904	\$56,106,939	\$5,543,278	\$1,319,036	\$114,974,157

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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and Other Taxes	\$0	\$25,773,791	\$0	\$0	\$25,773,791
Tuition and Fees	350,655	0	0	0	350,655
Investment Earnings	247	(478,095)	35,006	34,384	(408,458)
Intergovernmental	88,767,440	5,881,828	683,815	0	95,333,083
Extracurricular Activities	2,541,328	0	0	0	2,541,328
Charges for Services	2,348,894	0	0	0	2,348,894
Revenue in Lieu of Taxes	0	15,903,352	0	0	15,903,352
Other Revenues	2,175,546	0	363,833	0	2,539,379
Total Revenues	96,184,110	47,080,876	1,082,654	34,384	144,382,024
Expenditures:					
Current:					
Instruction:					
Regular	1,822,084	0	0	14,000	1,836,084
Special	10,827,148	0	0	0	10,827,148
Vocational	1,396,990	0	0	0	1,396,990
Other	1,514,579	0	0	0	1,514,579
Support Services:					
Pupil	3,245,687	0	0	0	3,245,687
Instructional Staff	9,341,366	0	0	0	9,341,366
School Administration	3,350,483	24,519	0	0	3,375,002
Fiscal	2,033,485	421,989	451	0	2,455,925
Business	60,983	0	0	0	60,983
Operations and Maintenance	1,118,590	0	0	0	1,118,590
Pupil Transportation	377,223	0	0	0	377,223
Central	424,638	0	0	0	424,638
Operation of Non-Instructional Services	48,232,691	0	0	42,077	48,274,768
Extracurricular Activities	2,278,700	0	0	0	2,278,700
Capital Outlay	128,247	0	8,967,836	0	9,096,083
Debt Service:					
Principal Retirement	0	32,420,000	0	0	32,420,000
Interest and Fiscal Charges	0	30,045,556	0	0	30,045,556
Total Expenditures	86,152,894	62,912,064	8,968,287	56,077	158,089,322
Excess of Revenues Over (Under) Expenditures	10,031,216	(15,831,188)	(7,885,633)	(21,693)	(13,707,298)
Other Financing Sources (Uses):					
Transfers In	5,475,364	12,497,549	5,339,951	0	23,312,864
Transfers (Out)	(12,808,894)	0	(4,589,950)	0	(17,398,844)
Total Other Financing Sources (Uses)	(7,333,530)	12,497,549	750,001	0	5,914,020
Net Change in Fund Balance	2,697,686	(3,333,639)	(7,135,632)	(21,693)	(7,793,278)
Fund Balance - Beginning of Year	27,759,084	39,829,930	10,671,880	1,340,729	79,601,623
Fund Balance - End of Year	\$30,456,770	\$36,496,291	\$3,536,248	\$1,319,036	\$71,808,345



NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service – Fund used to record financial transactions related to the food service operation.

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

Classroom Facilities Maintenance – Used to account for the proceeds of a levy for the maintenance of facilities.

Auxiliary Services – Used to account for state funds used to provide services and materials to students attending non-public schools within the boundaries of the District.

Title VI-B – 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.

School Improvement – Used to account for federal funds for school improvements.

Chapter I – 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.

Miscellaneous Federal Grants – 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 – The District maintains 27 special revenue funds. For reporting purposes, the District combines the 17 smallest funds into a fund titled “Other Special Revenue Funds”. These combined funds account for less than 4.5% of expenditures for all special revenue funds.

Cincinnati City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services	Title VI-B
Assets:					
Equity in Pooled Cash and Investments	\$14,255,317	\$3,956,909	\$4,186,905	\$1,356,032	\$2,693,814
Receivables (Net):					
Accounts	36	663	0	13,375	14,436
Intergovernmental	464,195	629,681	0	8,044	3,133,210
Prepaid	19	341	0	6,889	7,435
Inventory	10,647	0	0	0	0
Total Assets	14,730,214	4,587,594	4,186,905	1,384,340	5,848,895
Liabilities:					
Accounts Payable	790,811	234,384	256,353	663,008	329,881
Accrued Wages and Benefits	1,211	24,971	0	504,470	544,489
Compensated Absences	20,242	0	0	0	0
Interfund Payable	0	0	0	0	3,800,000
Total Liabilities	812,264	259,355	256,353	1,167,478	4,674,370
Deferred Inflows of Resources:					
Grants and Other Taxes	0	176,388	0	0	1,419,411
Total Deferred Inflows of Resources	0	176,388	0	0	1,419,411
Fund Balances:					
Nonspendable	19	341	0	6,889	7,435
Restricted	13,917,931	4,151,510	3,930,552	209,973	0
Unassigned	0	0	0	0	(252,321)
Total Fund Balances	13,917,950	4,151,851	3,930,552	216,862	(244,886)
Total Liabilities, Deferred Inflows and Fund Balances	\$14,730,214	\$4,587,594	\$4,186,905	\$1,384,340	\$5,848,895

School Improvement	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$350,833	\$3,462,178	\$360,113	\$6,046,586	\$36,668,687
314	28,105	0	11,511	68,440
638,393	5,907,862	197,927	4,242,567	15,221,879
162	14,475	0	5,930	35,251
0	0	0	0	10,647
<u>989,702</u>	<u>9,412,620</u>	<u>558,040</u>	<u>10,306,594</u>	<u>52,004,904</u>
44,590	523,412	172,298	555,359	3,570,096
11,835	1,060,040	0	434,158	2,581,174
0	0	0	5,163	25,405
600,000	3,400,000	1,100,000	2,605,000	11,505,000
<u>656,425</u>	<u>4,983,452</u>	<u>1,272,298</u>	<u>3,599,680</u>	<u>17,681,675</u>
<u>261,806</u>	<u>928,257</u>	<u>125,386</u>	<u>955,211</u>	<u>3,866,459</u>
<u>261,806</u>	<u>928,257</u>	<u>125,386</u>	<u>955,211</u>	<u>3,866,459</u>
162	14,475	0	5,930	35,251
71,309	3,486,436	0	5,745,773	31,513,484
0	0	(839,644)	0	(1,091,965)
<u>71,471</u>	<u>3,500,911</u>	<u>(839,644)</u>	<u>5,751,703</u>	<u>30,456,770</u>
<u>\$989,702</u>	<u>\$9,412,620</u>	<u>\$558,040</u>	<u>\$10,306,594</u>	<u>\$52,004,904</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, 2017

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services	Title VI-B
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	9	0
Intergovernmental	19,868,275	466,313	0	11,332,367	11,442,130
Extracurricular Activities	0	0	0	0	0
Charges for Services	2,348,894	0	0	0	0
Other Revenues	466	1,984,706	1,118	5,629	0
Total Revenues	22,217,635	2,451,019	1,118	11,338,005	11,442,130
Expenditures:					
Current:					
Instruction:					
Regular	0	365,277	0	0	173,186
Special	0	3,795	0	0	5,173,171
Vocational	0	76,864	0	0	325,852
Other	0	9,764	0	0	0
Support Services:					
Pupil	0	81,985	0	0	1,483,042
Instructional Staff	0	768,594	0	0	376,092
School Administration	0	249,599	0	0	1,611,236
Fiscal	0	21,050	0	0	444,909
Business	60,983	0	0	0	0
Operations and Maintenance	757,043	73,870	256,353	0	450
Pupil Transportation	0	273	0	0	0
Central	0	179,784	0	0	66,499
Operation of Non-Instructional Services	19,930,720	501,740	3,282,333	13,368,431	1,449,212
Extracurricular Activities	0	156,486	0	0	0
Capital Outlay	0	71,431	56,816	0	0
Total Expenditures	20,748,746	2,560,512	3,595,502	13,368,431	11,103,649
Excess of Revenues Over (Under) Expenditure	1,468,889	(109,493)	(3,594,384)	(2,030,426)	338,481
Other Financing Sources (Uses):					
Transfers In	5,275	505,180	3,254,156	0	0
Transfers (Out)	(3,411)	(1,883,740)	0	0	0
Total Other Financing Sources (Uses)	1,864	(1,378,560)	3,254,156	0	0
Net Change in Fund Balance	1,470,753	(1,488,053)	(340,228)	(2,030,426)	338,481
Fund Balance - Beginning of Year	12,447,197	5,639,904	4,270,780	2,247,288	(583,367)
Fund Balance - End of Year	\$13,917,950	\$4,151,851	\$3,930,552	\$216,862	(\$244,886)

School Improvement	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$350,655	\$350,655
0	0	0	238	247
2,103,803	31,164,263	915,061	11,475,228	88,767,440
0	0	0	2,541,328	2,541,328
0	0	0	0	2,348,894
0	1,033	0	182,594	2,175,546
<u>2,103,803</u>	<u>31,165,296</u>	<u>915,061</u>	<u>14,550,043</u>	<u>96,184,110</u>
13,718	973,653	0	296,250	1,822,084
6,796	5,215,136	0	428,250	10,827,148
0	0	0	994,274	1,396,990
422,076	679,007	0	403,732	1,514,579
16,950	885,534	0	778,176	3,245,687
1,086,067	3,915,834	764,196	2,430,583	9,341,366
0	885,579	0	604,069	3,350,483
91,159	1,207,171	0	269,196	2,033,485
0	0	0	0	60,983
2,079	0	0	28,795	1,118,590
0	374,850	0	2,100	377,223
0	83,355	0	95,000	424,638
0	4,777,574	261,787	4,660,894	48,232,691
0	0	0	2,122,214	2,278,700
0	0	0	0	128,247
<u>1,638,845</u>	<u>18,997,693</u>	<u>1,025,983</u>	<u>13,113,533</u>	<u>86,152,894</u>
<u>464,958</u>	<u>12,167,603</u>	<u>(110,922)</u>	<u>1,436,510</u>	<u>10,031,216</u>
0	0	1,221,599	489,154	5,475,364
0	(9,136,976)	(70,000)	(1,714,767)	(12,808,894)
<u>0</u>	<u>(9,136,976)</u>	<u>1,151,599</u>	<u>(1,225,613)</u>	<u>(7,333,530)</u>
464,958	3,030,627	1,040,677	210,897	2,697,686
(393,487)	470,284	(1,880,321)	5,540,806	27,759,084
<u>\$71,471</u>	<u>\$3,500,911</u>	<u>(\$839,644)</u>	<u>\$5,751,703</u>	<u>\$30,456,770</u>

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$40,175,756	\$19,119,866	(\$21,055,890)
Charges for Services	4,935,630	2,348,894	(2,586,736)
Other Revenues	979	466	(513)
Total Revenues	45,112,365	21,469,226	(23,643,139)
Expenditures:			
Current:			
Support Services:			
Business	86,439	64,404	22,035
Operations and Maintenance	917,164	683,362	233,802
Operation of Non-Instructional Services	27,209,504	20,273,294	6,936,210
Total Expenditures	28,213,107	21,021,060	7,192,047
Excess of Revenues Over (Under) Expenditures	16,899,258	448,166	(16,451,092)
Other Financing Sources (Uses):			
Transfers In	11,084	5,275	(5,809)
Transfers (Out)	(4,578)	(3,411)	1,167
Total Other Financing Sources (Uses)	6,506	1,864	(4,642)
Net Change in Fund Balance	16,905,764	450,030	(16,455,734)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,643,055	11,643,055	0
Fund Balance End of Year	\$28,548,819	\$12,093,085	(\$16,455,734)

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$20,040	\$13,020	(\$7,020)
Other Revenues	4,202,675	2,730,431	(1,472,244)
Total Revenues	4,222,715	2,743,451	(1,479,264)
Expenditures:			
Current:			
Instruction:			
Regular	718,443	369,456	348,987
Special	126,055	64,823	61,232
Vocational	159,570	82,058	77,512
Other	18,987	9,764	9,223
Support Services:			
Pupil	161,954	83,284	78,670
Instructional Staff	1,767,155	908,751	858,404
School Administration	549,411	282,532	266,879
Fiscal	2,911	1,497	1,414
Operations and Maintenance	37,838	19,458	18,380
Pupil Transportation	531	273	258
Central	431,574	221,935	209,639
Operation of Non-Instructional Services	974,364	501,062	473,302
Extracurricular Activities	296,602	152,526	144,076
Capital Outlay	278,221	143,074	135,147
Total Expenditures	5,523,616	2,840,493	2,683,123
Excess of Revenues Over (Under) Expenditures	(1,300,901)	(97,042)	1,203,859
Other Financing Sources (Uses):			
Transfers In	777,726	505,280	(272,446)
Transfers (Out)	(3,667,035)	(1,885,755)	1,781,280
Total Other Financing Sources (Uses)	(2,889,309)	(1,380,475)	1,508,834
Net Change in Fund Balance	(4,190,210)	(1,477,517)	2,712,693
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,066,984	5,066,984	0
Fund Balance End of Year	\$876,774	\$3,589,467	\$2,712,693

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Classroom Facilities Maintenance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,119	\$1,119	\$0
Total Revenues	<u>1,119</u>	<u>1,119</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Operation of Non-Instructional Services	4,233,121	3,560,369	672,752
Capital Outlay	67,552	56,816	10,736
Total Expenditures	<u>4,300,673</u>	<u>3,617,185</u>	<u>683,488</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,299,554)</u>	<u>(3,616,066)</u>	<u>683,488</u>
Other Financing Sources (Uses):			
Transfers In	3,254,156	3,254,156	0
Total Other Financing Sources (Uses)	<u>3,254,156</u>	<u>3,254,156</u>	<u>0</u>
Net Change in Fund Balance	(1,045,398)	(361,910)	683,488
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,293,250</u>	<u>4,293,250</u>	<u>0</u>
Fund Balance End of Year	<u>\$3,247,852</u>	<u>\$3,931,340</u>	<u>\$683,488</u>

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$9,971	\$9,539	(\$432)
Investment Earnings	9	9	0
Intergovernmental	<u>11,841,119</u>	<u>11,328,346</u>	<u>(512,773)</u>
Total Revenues	<u>11,851,099</u>	<u>11,337,894</u>	<u>(513,205)</u>
Expenditures:			
Current:			
Support Services:			
Operation of Non-Instructional Services	<u>13,984,842</u>	<u>13,311,584</u>	<u>673,258</u>
Total Expenditures	<u>13,984,842</u>	<u>13,311,584</u>	<u>673,258</u>
Net Change in Fund Balance	(2,133,743)	(1,973,690)	160,053
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,719,399</u>	<u>2,719,399</u>	<u>0</u>
Fund Balance End of Year	<u>\$585,656</u>	<u>\$745,709</u>	<u>\$160,053</u>

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,387,163	\$9,728,331	(\$1,658,832)
Total Revenues	<u>11,387,163</u>	<u>9,728,331</u>	<u>(1,658,832)</u>
Expenditures:			
Current:			
Instruction:			
Regular	203,454	166,686	36,768
Special	6,623,521	5,426,522	1,196,999
Vocational	390,627	320,033	70,594
Support Services:			
Pupil	1,893,471	1,551,284	342,187
Instructional Staff	477,892	391,527	86,365
School Administration	2,076,195	1,700,986	375,209
Fiscal	543,049	444,909	98,140
Operations and Maintenance	549	450	99
Central	81,167	66,499	14,668
Operation of Non-Instructional Services	<u>1,801,854</u>	<u>1,476,224</u>	<u>325,630</u>
Total Expenditures	<u>14,091,779</u>	<u>11,545,120</u>	<u>2,546,659</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,704,616)</u>	<u>(1,816,789)</u>	<u>887,827</u>
Other Financing Sources (Uses):			
Advances In	4,447,959	3,800,000	(647,959)
Advances (Out)	<u>(2,022,316)</u>	<u>(1,656,844)</u>	<u>365,472</u>
Total Other Financing Sources (Uses)	<u>2,425,643</u>	<u>2,143,156</u>	<u>(282,487)</u>
Net Change in Fund Balance	(278,973)	326,367	605,340
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,649,375</u>	<u>1,649,375</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,370,402</u>	<u>\$1,975,742</u>	<u>\$605,340</u>

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	School Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,566,357	\$1,727,216	(\$839,141)
Total Revenues	2,566,357	1,727,216	(839,141)
Expenditures:			
Current:			
Instruction:			
Regular	39,260	29,902	9,358
Special	8,923	6,796	2,127
Other	568,115	432,701	135,414
Support Services:			
Pupil	22,255	16,950	5,305
Instructional Staff	1,659,745	1,264,134	395,611
Fiscal	115,263	87,789	27,474
Operations and Maintenance	2,730	2,079	651
Total Expenditures	2,416,291	1,840,351	575,940
Excess of Revenues Over (Under) Expenditures	150,066	(113,135)	(263,201)
Other Financing Sources (Uses):			
Advances In	891,501	600,000	(291,501)
Advances (Out)	(613,345)	(467,150)	146,195
Transfers In	251	169	(82)
Transfers (Out)	(222)	(169)	53
Total Other Financing Sources (Uses)	278,185	132,850	(145,335)
Net Change in Fund Balance	428,251	19,715	(408,536)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	123,960	123,960	0
Fund Balance End of Year	\$552,211	\$143,675	(\$408,536)

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Chapter 1 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$30,280,963	\$26,184,658	(\$4,096,305)
Other Revenues	1,195	1,033	(162)
Total Revenues	30,282,158	26,185,691	(4,096,467)
Expenditures:			
Current:			
Instruction:			
Regular	1,075,970	956,138	119,832
Special	6,516,625	5,790,861	725,764
Other	767,011	681,588	85,423
Support Services:			
Pupil	912,492	810,867	101,625
Instructional Staff	4,782,611	4,249,966	532,645
School Administration	1,052,834	935,579	117,255
Fiscal	1,374,317	1,221,258	153,059
Pupil Transportation	440,744	391,658	49,086
Central	99,719	88,613	11,106
Operation of Non-Instructional Services	5,470,101	4,860,890	609,211
Total Expenditures	22,492,424	19,987,418	2,505,006
Excess of Revenues Over (Under) Expenditures	7,789,734	6,198,273	(1,591,461)
Other Financing Sources (Uses):			
Advances In	3,931,893	3,400,000	(531,893)
Advances (Out)	(3,553,235)	(3,157,507)	395,728
Transfers (Out)	(10,282,106)	(9,136,976)	1,145,130
Total Other Financing Sources (Uses)	(9,903,448)	(8,894,483)	1,008,965
Net Change in Fund Balance	(2,113,714)	(2,696,210)	(582,496)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,304,070	4,304,070	0
Fund Balance End of Year	\$2,190,356	\$1,607,860	(\$582,496)

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,902,693	\$842,520	(\$1,060,173)
Total Revenues	<u>1,902,693</u>	<u>842,520</u>	<u>(1,060,173)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,091,358	810,945	280,413
Operation of Non-Instructional Services	352,309	261,787	90,522
Total Expenditures	<u>1,443,667</u>	<u>1,072,732</u>	<u>370,935</u>
Excess of Revenues Over (Under) Expenditures	<u>459,026</u>	<u>(230,212)</u>	<u>(689,238)</u>
Other Financing Sources (Uses):			
Advances In	2,484,169	1,100,000	(1,384,169)
Advances (Out)	(5,607,306)	(4,166,569)	1,440,737
Transfers In	2,758,780	1,221,599	(1,537,181)
Transfers (Out)	(94,205)	(70,000)	24,205
Total Other Financing Sources (Uses)	<u>(458,562)</u>	<u>(1,914,970)</u>	<u>(1,456,408)</u>
Net Change in Fund Balance	464	(2,145,182)	(2,145,646)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,430,243</u>	<u>2,430,243</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,430,707</u>	<u>\$285,061</u>	<u>(\$2,145,646)</u>

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Other Special Revenue Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$598,263	\$350,655	(\$247,608)
Intergovernmental	14,961,297	8,769,138	(6,192,159)
Extracurricular Activities	4,335,838	2,541,328	(1,794,510)
Other Revenues	319,319	187,160	(132,159)
Total Revenues	20,214,717	11,848,281	(8,366,436)
Expenditures:			
Current:			
Instruction:			
Regular	402,203	264,909	137,294
Special	688,941	453,767	235,174
Vocational	1,954,769	1,287,498	667,271
Other	617,250	406,548	210,702
Support Services:			
Pupil	1,174,959	773,880	401,079
Instructional Staff	4,233,378	2,788,291	1,445,087
School Administration	926,585	610,290	316,295
Fiscal	407,063	268,110	138,953
Operations and Maintenance	59,159	38,965	20,194
Pupil Transportation	3,188	2,100	1,088
Central	151,827	100,000	51,827
Operation of Non-Instructional Services	6,916,899	4,555,777	2,361,122
Extracurricular Activities	3,964,086	2,610,923	1,353,163
Capital Outlay	34,078	22,445	11,633
Total Expenditures	21,534,385	14,183,503	7,350,882
Excess of Revenues Over (Under) Expenditures	(1,319,668)	(2,335,222)	(1,015,554)
Other Financing Sources (Uses):			
Advances In	4,444,471	2,605,000	(1,839,471)
Advances (Out)	(2,053,545)	(1,352,556)	700,989
Transfers In	834,561	489,154	(345,407)
Transfers (Out)	(2,603,441)	(1,714,742)	888,699
Total Other Financing Sources (Uses)	622,046	26,856	(595,190)
Net Change in Fund Balance	(697,622)	(2,308,366)	(1,610,744)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,091,790	7,091,790	0
Fund Balance End of Year	\$6,394,168	\$4,783,424	(\$1,610,744)

NONMAJOR DEBT SERVICE FUND

Fund Description

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Service Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$40,033,000	\$27,803,380	(\$12,229,620)
Revenue in lieu of taxes	22,898,615	15,903,352	(6,995,263)
Investment Earnings	170,262	118,249	(52,013)
Intergovernmental	8,471,249	5,883,380	(2,587,869)
Total Revenues	71,573,126	49,708,361	(21,864,765)
Expenditures:			
Current:			
Support Services:			
School Administration	24,603	24,519	84
Fiscal	423,432	421,989	1,443
Debt Service:			
Principal Retirement	32,420,000	32,420,000	0
Interest and Fiscal Charges	25,242,072	25,045,556	196,516
Total Expenditures	58,110,107	57,912,064	198,043
Excess of Revenues Over (Under) Expenditures	13,463,019	(8,203,703)	(21,666,722)
Other Financing Sources (Uses):			
Transfers In	17,994,732	12,497,549	(5,497,183)
Total Other Financing Sources (Uses)	17,994,732	12,497,549	(5,497,183)
Net Change in Fund Balance	31,457,751	4,293,846	(27,163,905)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,165,526	26,165,526	0
Fund Balance End of Year	\$57,623,277	\$30,459,372	(\$27,163,905)

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Description

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for financial resources, to maintain the District's facilities, as well as provide for major equipment and instructional material purchases

Building Fund – The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

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
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	Permanent Improvement	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$4,506,794	\$0	\$1,177	\$939,686	\$5,447,657
Restricted Cash and Investments	0	0	0	95,621	95,621
Total Assets	4,506,794	0	1,177	1,035,307	5,543,278
Liabilities:					
Contracts Payable	1,566,925	0	0	344,484	1,911,409
Retainage Payable	0	0	0	95,621	95,621
Total Liabilities	1,566,925	0	0	440,105	2,007,030
Fund Balances:					
Restricted	2,939,869	0	1,177	595,202	3,536,248
Total Fund Balances	2,939,869	0	1,177	595,202	3,536,248
Total Liabilities, Deferred Inflows and Fund Balances	\$4,506,794	\$0	\$1,177	\$1,035,307	\$5,543,278

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, 2017

	Permanent Improvement	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
Revenues:					
Investment Earnings	\$35,006	\$0	\$0	\$0	\$35,006
Intergovernmental	0	0	0	683,815	683,815
Other Revenues	163,833	200,000	0	0	363,833
Total Revenues	198,839	200,000	0	683,815	1,082,654
Expenditures:					
Current:					
Support Services:					
Fiscal	451	0	0	0	451
Capital Outlay	3,109,787	0	0	5,858,049	8,967,836
Total Expenditures	3,110,238	0	0	5,858,049	8,968,287
Excess of Revenues Over (Under) Expenditures	(2,911,399)	200,000	0	(5,174,234)	(7,885,633)
Other Financing Sources (Uses):					
Transfers In	5,199,985	139,966	0	0	5,339,951
Transfers (Out)	0	0	0	(4,589,950)	(4,589,950)
Total Other Financing Sources (Uses)	5,199,985	139,966	0	(4,589,950)	750,001
Net Change in Fund Balance	2,288,586	339,966	0	(9,764,184)	(7,135,632)
Fund Balance - Beginning of Year	651,283	(339,966)	1,177	10,359,386	10,671,880
Fund Balance - End of Year	\$2,939,869	\$0	\$1,177	\$595,202	\$3,536,248

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$60,950	\$35,006	(\$25,944)
Other Revenues	285,254	163,833	(121,421)
Total Revenues	346,204	198,839	(147,365)
Expenditures:			
Current:			
Support Services:			
Fiscal	1,098	451	647
Capital Outlay	5,849,387	2,401,744	3,447,643
Total Expenditures	5,850,485	2,402,195	3,448,290
Excess of Revenues Over (Under) Expenditures	(5,504,281)	(2,203,356)	3,300,925
Other Financing Sources (Uses):			
Transfers In	9,053,822	5,199,985	(3,853,837)
Total Other Financing Sources (Uses)	9,053,822	5,199,985	(3,853,837)
Net Change in Fund Balance	3,549,541	2,996,629	(552,912)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	651,283	651,283	0
Fund Balance End of Year	\$4,200,824	\$3,647,912	(\$552,912)

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$296,242	\$200,000	(\$96,242)
Total Revenues	<u>296,242</u>	<u>200,000</u>	<u>(96,242)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>296,242</u>	<u>200,000</u>	<u>(96,242)</u>
Other Financing Sources (Uses):			
Advances (Out)	(518,437)	(509,131)	9,306
Transfers In	<u>207,317</u>	<u>139,965</u>	<u>(67,352)</u>
Total Other Financing Sources (Uses)	<u>(311,120)</u>	<u>(369,166)</u>	<u>(58,046)</u>
Net Change in Fund Balance	(14,878)	(169,166)	(154,288)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>169,166</u>	<u>169,166</u>	<u>0</u>
Fund Balance End of Year	<u>\$154,288</u>	<u>\$0</u>	<u>(\$154,288)</u>

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Replacement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,177	1,177	0
Fund Balance End of Year	\$1,177	\$1,177	\$0

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$400,933	\$0	(\$400,933)
Total Revenues	400,933	0	(400,933)
Expenditures:			
Current:			
Instruction:			
Other	560,849	683,815	(122,966)
Capital Outlay	4,060,778	4,951,103	(890,325)
Total Expenditures	4,621,627	5,634,918	(1,013,291)
Excess of Revenues Over (Under) Expenditures	(4,220,694)	(5,634,918)	(1,414,224)
Other Financing Sources (Uses):			
Transfers (Out)	(3,764,568)	(4,589,950)	(825,382)
Total Other Financing Sources (Uses)	(3,764,568)	(4,589,950)	(825,382)
Net Change in Fund Balance	(7,985,262)	(10,224,868)	(2,239,606)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,060,190	11,060,190	0
Fund Balance End of Year	\$3,074,928	\$835,322	(\$2,239,606)

NONMAJOR PERMANENT FUND

Fund Description

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. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Service Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Cincinnati City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2017

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$91,920	\$9,964	(\$81,956)
Total Revenues	91,920	9,964	(81,956)
Expenditures:			
Current:			
Instruction:			
Regular	150,387	14,000	136,387
Operation of Non-Instructional Services	833,454	77,589	755,865
Total Expenditures	983,841	91,589	892,252
Excess of Revenues Over (Under) Expenditures	(891,921)	(81,625)	810,296
Other Financing Sources (Uses):			
Transfers In	110,638	11,993	(98,645)
Transfers (Out)	(55,976)	(5,211)	50,765
Total Other Financing Sources (Uses)	54,662	6,782	(47,880)
Net Change in Fund Balance	(837,259)	(74,843)	762,416
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,078,573	1,078,573	0
Fund Balance End of Year	\$241,314	\$1,003,730	\$762,416

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Rotary Special Services- A fund to report any activity for which a fee is charged to external users for goods or services. Activities using this fund tend to be curricular in nature. As an example, this fund would be used to account for receipts and purchases made in connection with the sale of consumer services provided by vocational education classes such as cosmetology or auto mechanics. As another example, this fund should be used to account for “Life Enrichment Programs” offered by a school district.

Rotary- A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis. The use of the fund may be applied to situations where the district acts as a fiscal agent for a multi-district program.

Public School Support- Fund used to account for specific local revenue sources generated by individual school buildings. Expenditures include field trips, items to support co-curricular and extra-curricular programs, and recognition programs.

Special Enterprise- A fund to report any activity for which a fee is charged to external users for goods or services. This fund can also account for any activity where debt is backed solely by fees and charges, there is legal requirement to recover costs, or the school board has decided to recover costs.

District- A fund used to account for those assets held by a school district as an agent for individuals, private organization, and other governmental units. Agency funds could include a central payroll account. In an agency fund, assets equals liabilities and the fund balance is zero.

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Rotary Special Services Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$2,496,018	\$1,196,190	(\$1,299,828)
Extracurricular Activities	30,907	14,812	(16,095)
Total Revenues	<u>2,526,925</u>	<u>1,211,002</u>	<u>(1,315,923)</u>
Expenditures:			
Current:			
Instruction:			
Regular	148,965	44,092	104,873
Other	79,256	23,459	55,797
Support Services:			
Instructional Staff	23,656	7,002	16,654
School Administration	1,612	477	1,135
Operations and Maintenance	18,339	5,428	12,911
Operation of Non-Instructional Services	1,683,345	498,251	1,185,094
Extracurricular Activities	65,695	19,445	46,250
Total Expenditures	<u>2,020,868</u>	<u>598,154</u>	<u>1,422,714</u>
Excess of Revenues Over (Under) Expenditures	<u>506,057</u>	<u>612,848</u>	<u>106,791</u>
Other Financing Sources (Uses):			
Transfers In	92,528	44,343	(48,185)
Transfers (Out)	(1,116,418)	(330,447)	785,971
Total Other Financing Sources (Uses)	<u>(1,023,890)</u>	<u>(286,104)</u>	<u>737,786</u>
Net Change in Fund Balance	(517,833)	326,744	844,577
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,386,721</u>	<u>1,386,721</u>	<u>0</u>
Fund Balance End of Year	<u>\$868,888</u>	<u>\$1,713,465</u>	<u>\$844,577</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Rotary Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,175,350	\$5,450	(\$1,169,900)
Total Revenues	<u>1,175,352</u>	<u>5,450</u>	<u>(1,169,902)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,279	2,618	5,661
School Administration	4,570	1,445	3,125
Business	1,466,955	463,884	1,003,071
Total Expenditures	<u>1,479,804</u>	<u>467,947</u>	<u>1,011,857</u>
Excess of Revenues Over (Under) Expenditures	<u>(304,452)</u>	<u>(462,497)</u>	<u>(158,045)</u>
Other Financing Sources (Uses):			
Transfers In	220,181	1,021	(219,160)
Transfers (Out)	(7,280)	(2,302)	4,978
Total Other Financing Sources (Uses)	<u>212,901</u>	<u>(1,281)</u>	<u>(214,182)</u>
Net Change in Fund Balance	(91,551)	(463,778)	(372,227)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,882,947</u>	<u>1,882,947</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,791,396</u>	<u>\$1,419,169</u>	<u>(\$372,227)</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$4,965	\$2,281	(\$2,684)
Other Revenues	306,825	140,967	(165,858)
Total Revenues	311,790	143,248	(168,542)
Expenditures:			
Current:			
Instruction:			
Regular	355,990	192,705	163,285
Other	2,015	1,091	924
Support Services:			
Pupil	25,417	13,759	11,658
Instructional Staff	150,096	81,250	68,846
School Administration	3,745	2,027	1,718
Business	132,740	71,855	60,885
Operations and Maintenance	12,857	6,960	5,897
Central	11,544	6,249	5,295
Operation of Non-Instructional Services	1,757	951	806
Extracurricular Activities	3,641	1,971	1,670
Total Expenditures	699,802	378,818	320,984
Excess of Revenues Over (Under) Expenditures	(388,012)	(235,570)	152,442
Other Financing Sources (Uses):			
Transfers In	249,420	114,593	(134,827)
Transfers (Out)	(100,412)	(54,355)	46,057
Total Other Financing Sources (Uses)	149,008	60,238	(88,770)
Net Change in Fund Balance	(239,004)	(175,332)	63,672
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	532,175	532,175	0
Fund Balance End of Year	\$293,171	\$356,843	\$63,672

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	Special Enterprise Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Operation of Non-Instructional Services	955	0	955
Total Expenditures	955	0	0
Net Change in Fund Balance	(955)	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,205	3,205	0
Fund Balance End of Year	<u>\$2,250</u>	<u>\$3,205</u>	<u>\$0</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Cincinnati City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2017

	District Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	15,067	581	14,486
Total Expenditures	15,067	581	14,486
Net Change in Fund Balance	(15,067)	(581)	14,486
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	857,411	857,411	0
Fund Balance End of Year	\$842,344	\$856,830	\$14,486

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

NONMAJOR FUNDS

Fiduciary Funds

Fiduciary fund types are used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Student Activity Fund- Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Cincinnati City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2017

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$99,200	\$135,795	\$141,257	\$93,738
Total Assets	99,200	135,795	141,257	93,738
Liabilities:				
Accounts Payable	0	10,265	0	10,265
Other Liabilities	99,200	125,530	141,257	83,473
Total Liabilities	\$99,200	\$135,795	\$141,257	\$93,738





Statistical Section



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STATISTICAL SECTION

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

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the District's most significant local revenue source, property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - 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 - 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 Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	2008	2009	2010	2011
Governmental Activities				
Net Investment In Capital Assets	\$273,865,981	\$326,129,887	\$353,689,363	\$407,388,120
Restricted	91,776,578	38,704,259	32,392,909	19,363,096
Unrestricted	40,306,909	90,286,275	148,052,663	189,176,164
Total Net Position	<u>\$405,949,468</u>	<u>\$455,120,421</u>	<u>\$534,134,935</u>	<u>\$615,927,380</u>

Source: District Treasurer's Office

(a) - Restated for implementation of GASB 68, Accounting and Reporting for Pensions.

(b) - Restated from balances previously reported.

2012	2013	2014 (a)	2015 (b)	2016	2017
\$389,607,776	\$371,260,025	\$378,833,045	\$373,215,575	\$372,710,520	\$371,310,816
54,792,016	75,648,432	77,150,658	75,156,251	66,741,338	73,449,346
167,348,569	171,671,926	(398,789,436)	(375,932,419)	(358,030,648)	(383,007,823)
<u>\$611,748,361</u>	<u>\$618,580,383</u>	<u>\$57,194,267</u>	<u>\$72,439,407</u>	<u>\$81,421,210</u>	<u>\$61,752,339</u>

Cincinnati City School District, Ohio
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 2

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Instruction	\$296,190,748	\$297,678,292	\$300,121,513	\$298,196,079
Pupil	23,484,223	25,454,794	29,830,994	29,702,228
Instructional Staff	44,812,063	44,172,580	39,819,027	49,720,996
General Administration	403,963	443,575	339,142	343,414
School Administration	33,167,537	33,399,805	35,453,480	35,904,173
Fiscal	2,905,859	2,982,641	6,833,916	7,006,980
Business	1,217,184	1,382,889	1,196,647	1,244,023
Operation and Maintenance	40,791,667	41,344,253	41,693,266	47,998,030
Pupil Transportation	23,321,223	29,877,750	31,574,052	27,155,167
Central	19,888,633	19,309,398	10,143,405	15,024,579
Operation of Non-instructional Services	32,584,206	34,574,667	37,670,655	43,667,894
Extracurricular Activities	5,066,751	6,727,253	6,370,590	5,605,603
Interest and Fiscal Charges	36,789,707	35,008,872	31,351,857	34,495,353
Total Government Expenses	<u>560,623,764</u>	<u>572,356,769</u>	<u>572,398,544</u>	<u>596,064,519</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	4,295,206	6,799,768	8,363,276	9,295,532
Support Services	7,278,344	7,001,505	5,914,193	6,448,862
Operation of Non-Instructional Services	2,262,012	2,183,221	1,977,207	2,035,610
Extracurricular Activities	750,852	1,947,178	1,906,058	4,184,264
Operating Grants and Contributions	127,168,655	126,199,712	119,193,346	107,155,658
Capital Grants and Contributions	719,912	0	11,920,000	56,581,124
Total Government Revenues	<u>142,474,981</u>	<u>144,131,384</u>	<u>149,274,080</u>	<u>185,701,050</u>
Net (Expense)/Revenue				
Total Government Net Expense	<u>(\$418,148,783)</u>	<u>(\$428,225,385)</u>	<u>(\$423,124,464)</u>	<u>(\$410,363,469)</u>

Source: District Treasurer's Office

2012	2013	2014	2015	2016	2017
\$300,156,450	\$296,271,517	\$300,457,224	\$305,205,203	\$336,638,459	\$360,397,469
27,942,924	35,346,133	38,352,619	36,943,283	28,531,385	30,054,505
46,927,907	36,716,764	21,048,281	35,105,522	24,959,869	32,644,424
398,130	380,683	389,815	406,132	340,883	351,955
29,292,929	32,566,236	29,462,944	32,228,666	31,635,312	34,925,681
7,369,914	6,796,344	8,209,680	8,972,208	7,460,647	9,062,075
1,607,145	1,122,066	1,300,440	2,051,368	2,178,785	2,866,225
47,844,700	48,446,538	43,099,032	46,511,084	43,000,810	46,913,820
30,269,005	31,522,565	29,401,931	32,192,259	31,450,938	44,019,249
18,435,513	19,827,610	18,914,522	32,127,115	37,892,403	34,584,762
46,614,539	51,851,575	55,719,694	62,166,963	61,543,956	79,605,624
7,140,306	3,810,106	5,406,211	5,751,797	6,165,869	6,604,429
34,028,545	37,947,116	33,103,064	31,162,366	30,150,818	28,843,652
<u>598,028,007</u>	<u>602,605,253</u>	<u>584,865,457</u>	<u>630,823,966</u>	<u>641,950,134</u>	<u>710,873,870</u>
5,150,008	12,655,589	8,460,298	12,868,018	16,285,449	6,772,663
6,749,598	5,685,337	4,306,981	2,397,627	1,397,762	1,037,816
2,117,529	1,522,720	1,994,311	1,665,441	1,487,689	3,245,620
1,912,546	1,726,634	2,838,688	3,577,248	2,942,914	510,003
86,060,381	85,983,762	74,439,049	90,857,795	87,856,672	108,589,212
5,908,555	795,249	825,988	301,335	0	0
<u>107,898,617</u>	<u>108,369,291</u>	<u>92,865,315</u>	<u>111,667,464</u>	<u>109,970,486</u>	<u>120,155,314</u>
<u>(\$490,129,390)</u>	<u>(\$494,235,962)</u>	<u>(\$492,000,142)</u>	<u>(\$519,156,502)</u>	<u>(\$531,979,648)</u>	<u>(\$590,718,556)</u>

Cincinnati City School District, Ohio
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	2008	2009	2010	2011
Net (Expense)/Revenue				
Total Government Net Expense	(\$418,148,783)	(\$428,225,385)	(\$423,124,464)	(\$410,363,469)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for				
General Purposes	200,054,022	265,885,389	255,859,268	250,219,075
Debt Service Purposes	33,356,387	23,498,488	30,695,071	15,071,352
Revenue in Lieu of Taxes	10,948,197	10,919,337	17,497,711	23,453,928
Grants and Entitlements not Restricted	150,048,088	165,610,526	192,804,062	197,164,514
Investment Earnings	30,097,980	10,097,650	2,452,857	1,298,188
Other Revenues	12,818,225	1,384,948	2,830,009	4,948,857
Total Primary Government	<u>437,322,899</u>	<u>477,396,338</u>	<u>502,138,978</u>	<u>492,155,914</u>
Change in Net Position				
Total Primary Government	<u>\$19,174,116</u>	<u>\$49,170,953</u>	<u>\$79,014,514</u>	<u>\$81,792,445</u>

Source: District Records

2012	2013	2014	2015	2016	2017
(\$490,129,390)	(\$494,235,962)	(\$492,000,142)	(\$519,156,502)	(\$531,979,648)	(\$590,718,556)
225,246,490	249,843,745	244,261,485	258,835,153	262,244,529	280,579,314
47,063,326	31,761,784	31,109,541	27,735,023	28,161,591	24,850,801
21,431,724	26,729,545	28,579,107	26,478,019	24,113,624	38,572,039
185,176,443	189,651,837	200,504,547	216,053,122	224,292,717	212,121,089
608,212	445,696	822,672	1,422,750	2,128,904	(172,016)
6,424,176	2,635,377	445,127	3,879,693	20,086	15,098,458
485,950,371	501,067,984	505,722,479	534,403,760	540,961,451	571,049,685
(\$4,179,019)	\$6,832,022	\$13,722,337	\$15,247,258	\$8,981,803	(\$19,668,871)

Cincinnati City School District, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	2008	2009	2010	2011
General Fund				
Reserved	\$44,175,345	(\$75,520,891)	(\$52,610,506)	
Unreserved	(2,461,469)	10,296,495	45,882,306	
Nonspendable				\$0
Assigned				11,987,019
Unassigned				136,044,132
Total General Fund	<u>41,713,876</u>	<u>(65,224,396)</u>	<u>(6,728,200)</u>	<u>148,031,151</u>
All Other Governmental Funds				
Reserved	110,989,299	149,613,198	171,293,861	
Unreserved, Reported in:				
Special Revenue Funds	(6,516,820)	(5,327,271)	5,435,099	
Capital Project Funds	371,811,911	246,422,216	246,788,752	
Permanent Fund	497,397	457,573	461,968	
Nonspendable				\$1,276,452
Restricted				265,207,563
Unassigned				(1,293,974)
Total All Other Governmental Funds	<u>476,781,787</u>	<u>391,165,716</u>	<u>423,979,680</u>	<u>265,190,041</u>
Total Governmental Funds	<u>\$518,495,663</u>	<u>\$325,941,320</u>	<u>\$417,251,480</u>	<u>\$413,221,192</u>

Source: District Records

(a) - Restated from balances previously reported.

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

2012	2013	2014	2015 (a)	2016	2017
\$190,019	\$974,486	\$557,803	\$485,160	\$857,411	\$990,520
5,338,695	8,521,334	19,161,684	12,599,416	56,027,949	18,056,928
125,977,166	148,757,794	141,975,346	157,809,894	138,407,368	198,974,650
<u>131,505,880</u>	<u>158,253,614</u>	<u>161,694,833</u>	<u>170,894,470</u>	<u>195,292,728</u>	<u>218,022,098</u>
\$892,636	\$920,196	\$904,636	\$853,798	\$876,281	\$1,071,490
185,566,497	112,333,005	94,935,693	83,197,999	81,922,483	72,097,025
(1,644,897)	(3,993,282)	(4,068,620)	(2,255,891)	(11,892,034)	(7,522,515)
184,814,236	109,259,919	91,771,709	81,795,906	70,906,730	65,646,000
<u>\$316,320,116</u>	<u>\$267,513,533</u>	<u>\$253,466,542</u>	<u>\$252,690,376</u>	<u>\$266,199,458</u>	<u>\$283,668,098</u>

Cincinnati City School District, Ohio
 Governmental Funds Revenues,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	2008	2009	2010	2011
Revenues:				
Taxes	\$248,560,390	\$277,728,502	\$281,808,058	\$265,214,494
Tuition and Fees	2,436,623	1,750,008	2,460,003	1,897,589
Investment Earnings	31,299,042	10,996,692	3,037,728	1,358,433
Intergovernmental	287,785,408	320,734,890	354,361,741	358,166,085
Charges for Services	2,183,555	2,116,608	1,909,984	1,875,863
Revenue in Lieu of Taxes	10,949,847	10,919,337	17,497,711	23,453,928
Extracurricular Activities	0	0	0	0
Other Revenues	22,821,498	15,545,489	13,513,339	23,474,337
 Total Revenues	 \$606,036,363	 \$639,791,526	 \$674,588,564	 \$675,440,729

Source: District Records

2012	2013	2014	2015	2016	2017
\$283,821,219	\$283,096,196	\$285,258,719	\$285,717,387	\$290,418,514	\$311,694,871
2,302,247	2,491,311	2,807,829	4,802,184	4,775,891	6,658,787
644,610	443,349	797,567	1,407,193	2,119,634	(193,825)
277,248,953	283,580,291	283,596,821	317,127,220	310,772,789	327,169,070
1,707,174	1,446,185	1,440,373	1,453,317	1,284,140	2,348,894
21,430,669	26,730,600	28,578,036	26,479,090	24,113,624	38,572,039
0	0	0	0	0	2,541,328
18,648,335	17,902,623	14,014,220	17,441,684	17,111,136	15,115,550
<u>\$605,803,207</u>	<u>\$615,690,555</u>	<u>\$616,493,565</u>	<u>\$654,428,075</u>	<u>\$650,595,728</u>	<u>\$703,906,714</u>

Cincinnati City School District, Ohio
 Governmental Funds Expenditures and Debt Service Ratio,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	2008	2009	2010	2011
Instruction	\$287,823,642	\$286,786,488	\$297,745,242	\$297,086,004
Pupil	23,025,194	24,873,130	29,369,730	30,236,201
Instructional Staff	44,151,479	43,556,762	39,776,483	49,750,441
General Administration	398,416	432,078	341,454	346,538
School Administration	32,704,791	33,010,049	35,249,350	36,399,488
Fiscal	2,853,139	2,924,642	6,790,917	7,049,604
Business	1,198,346	1,338,302	1,198,780	1,280,016
Operation and Maintenance	39,830,779	40,587,586	41,379,393	48,264,749
Pupil Transportation	23,043,622	29,623,267	31,456,572	27,202,285
Central	18,826,176	18,714,730	10,105,563	14,474,208
Operation of Non-instructional Services	25,947,645	25,494,720	27,092,882	30,506,964
Extracurricular Activities	4,973,632	6,616,085	6,347,799	5,764,915
Capital Outlay	128,811,748	121,159,988	122,738,738	125,449,441
Debt Service				
Principal Retirement	19,685,000	19,900,000	17,035,000	24,605,000
Interest and Fiscal Charges	39,759,435	38,011,339	35,394,959	36,665,669
Total Expenditures	\$693,033,044	\$693,029,166	\$702,022,862	\$735,081,523
Debt Service as a Percentage of Noncapital Expenditures	10.42%	10.05%	9.02%	10.06%

Source: District Records

2012	2013	2014	2015	2016	2017
\$293,008,452	\$283,748,911	\$306,098,679	\$315,668,621	\$323,228,635	\$338,664,149
27,954,618	33,566,049	39,025,863	37,253,130	29,743,931	28,199,812
46,617,867	38,211,520	21,269,377	35,447,785	25,047,831	31,498,453
393,684	364,567	401,626	398,908	363,199	318,094
29,336,439	31,326,700	30,582,949	32,757,573	32,371,201	32,060,595
7,189,097	6,637,044	8,289,888	8,783,126	7,670,199	8,419,272
1,558,587	1,139,823	1,332,834	2,031,642	2,222,119	1,483,148
47,192,721	46,630,433	43,339,485	45,892,705	43,720,529	40,670,030
29,814,983	30,094,029	29,424,540	31,995,979	31,438,072	43,798,041
18,885,526	19,533,495	19,027,217	31,540,078	38,239,134	31,040,849
27,961,981	29,992,148	34,735,143	39,035,762	37,203,857	51,645,189
7,139,576	3,930,296	5,422,262	5,763,046	6,181,059	6,387,109
136,262,738	80,883,297	28,375,824	5,399,065	1,987,104	9,801,477
19,715,000	27,250,000	28,575,000	30,045,000	26,305,000	32,420,000
35,923,014	35,883,608	34,639,869	34,361,208	31,364,776	30,045,556
<u>\$728,954,283</u>	<u>\$669,191,920</u>	<u>\$630,540,556</u>	<u>\$656,373,628</u>	<u>\$637,086,646</u>	<u>\$686,451,774</u>

9.26%

10.29%

10.50%

9.56%

9.07%

9.15%

Cincinnati City School District, Ohio
 Other Financing Sources and Uses and Net Change in Fund Balances,
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	2008	2009	2010	2011
Other Financing Sources (Uses)				
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	0	0	21,715,000	3,000,000
Issuance of Refunding Bonds	0	0	104,900,000	0
Premium on Refunding Bonds	0	0	9,387,925	0
Payment to Refunded Bond Escrow Agent	0	0	(103,964,664)	0
Payment to Refunded Escrow Agent	0	0	0	0
New Capital Leases	0	0	0	0
Premium on Capital Leases	0	0	0	0
Transfers In	155,775,182	152,935,825	410,008,330	196,495,786
Transfers (Out)	(155,775,182)	(152,935,825)	(410,008,330)	(196,495,786)
Total Other Financing Sources (Uses)	0	0	32,038,261	3,000,000
Net Change in Fund Balances	(\$86,996,681)	(\$53,237,640)	\$4,603,963	(\$56,640,794)

Source: District Records

2012	2013	2014	2015	2016	2017
\$0	\$4,694,782	\$0	\$0	\$0	\$13,700
0	0	0	102,545,000	0	0
0	0	0	9,675,995	0	0
26,250,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	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	0	0
185,798,244	12,402,825	15,688,015	18,512,185	206,314,966	209,878,498
(185,798,244)	(12,402,825)	(15,688,015)	(18,512,185)	(206,314,966)	(209,878,498)
26,250,000	4,694,782	0	1,171,505	0	13,700
(\$96,901,076)	(\$48,806,583)	(\$14,046,991)	(\$774,048)	\$13,509,082	\$17,468,640

Cincinnati City School District, Ohio
 Assessed Valuations and Estimated True Values of Taxable Property
 Last Ten Calendar Years
 (amounts in thousands)
 Schedule 8

Tax Year	2007	2008	2009	2010
Real Property				
Assessed	\$6,273,021	\$6,275,000	\$6,290,000	\$6,292,744
Actual	17,922,917	17,928,571	17,971,429	17,979,269
Public Utility				
Assessed	282,091	281,000	281,000	304,596
Actual	282,091	281,000	281,000	304,596
Tangible Personal Property				
Assessed	181,603	31,500	15,500	0
Actual	1,452,824	504,000	248,000	0
Total (in thousands)				
Assessed	6,736,715	6,587,500	6,586,500	6,597,340
Actual	19,657,832	18,713,571	18,500,429	18,283,865
Assessed Value as a				
Percentage of Actual Value	34.27%	35.20%	35.60%	36.08%
Total Direct Tax Rate				
	\$59.37	\$59.67	\$67.95	\$67.87

Source: County Auditor

Note: 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.

2011	2012	2013	2014	2015	2016
\$5,707,605	\$5,612,343	\$5,543,750	\$5,595,890	\$5,621,926	\$5,642,260
16,307,443	16,035,266	15,839,286	15,988,257	16,062,646	16,120,744
322,343	341,979	382,312	419,717	432,540	473,997
322,343	341,979	382,312	419,717	432,540	473,997
0	0	0	0	0	0
0	0	0	0	0	0
6,029,948	5,954,322	5,926,062	6,015,607	6,054,466	6,116,257
16,629,786	16,377,245	16,221,598	16,407,974	16,495,186	16,594,741
36.26%	36.36%	36.53%	36.66%	36.70%	36.86%
\$68.54	\$70.76	\$71.34	\$71.49	\$70.65	\$77.91

Cincinnati City School District, Ohio
 Property Tax Rates of Direct and Overlapping Governments
 Last Ten Fiscal Years
 (per \$1,000 of assessed value)
 Schedule 9

Collection Year	2008	2009	2010	2011
Direct District Rates				
General Fund	54.90	62.95	62.87	63.54
Dect Service Fund	4.77	5.00	5.00	5.00
Total Direct District Rates	59.67	67.95	67.87	68.54
Overlapping Rates				
Hamilton County				
Cities				
Cheviot	14.52	14.52	20.13	20.13
Cincinnati	9.89	9.89	9.82	0.00
Indian Hill	0.96	0.96	0.96	0.96
Madeira	7.50	7.50	7.50	7.50
Norwood	11.40	11.40	11.40	11.40
Silverton	8.15	8.15	8.15	8.15
Wyoming	10.00	10.00	10.00	10.00
Villages				
Amberly	7.00	7.00	7.00	7.00
Fairfax	2.76	2.76	2.76	2.76
Golf Manor	38.52	38.52	38.52	38.52
Mariemont	14.37	14.37	14.37	14.37
Townships				
Anderson	14.15	16.85	16.85	16.85
Columbia	14.76	18.76	14.76	14.76
Delhi	26.34	26.34	26.34	26.34
Green	9.81	11.71	11.71	11.71
Springfield	20.30	20.30	22.80	22.80
Sycamore	8.75	8.75	8.75	8.75
Total Overlapping Rates	299.41	316.36	320.17	309.99

Source: County Auditor

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

2012	2013	2014	2015	2016	2017
65.76	66.34	66.49	65.65	65.05	72.81
5.00	5.00	5.00	5.00	5.10	5.10
70.76	71.34	71.49	70.65	70.15	77.91
19.03	19.03	19.03	18.85	18.85	18.85
20.13	20.13	20.13	20.13	20.13	20.13
10.50	10.85	12.20	12.10	12.10	12.04
0.96	0.96	0.96	0.96	0.96	0.96
7.50	7.50	7.50	7.50	7.50	7.50
11.40	11.40	11.40	11.40	11.40	11.40
8.15	8.15	8.15	8.15	8.15	8.15
10.00	10.00	10.00	10.00	10.00	10.00
7.00	17.00	17.00	17.00	17.00	17.00
2.76	2.76	2.76	2.76	1.80	2.76
38.52	38.52	38.52	38.52	43.52	43.52
14.37	14.37	14.37	14.37	14.37	14.37
16.85	14.57	14.57	14.57	14.57	18.12
17.01	17.10	17.01	17.01	18.61	18.61
26.34	26.34	28.09	30.58	30.58	31.12
11.71	11.71	11.71	14.66	14.66	14.66
22.80	23.80	23.80	23.80	23.80	23.80
8.75	8.75	8.75	8.75	8.75	8.75
324.54	334.28	337.44	341.76	346.90	359.65



Cincinnati City School District, Ohio
Principal Taxpayers
Real Estate Tax and Public Utilities Personal Property
Current Calendar Year and Nine Years Ago
Schedule 10

Taxpayer	Nature of Business	Calendar Year 2016	
		Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	Public Utility	\$354,299,930	5.79%
Duke Energy Ohio Inc	Public Utility	122,225,590	2.00%
City of Cincinnati	Municipality	93,980,090	1.54%
The Proctor & Gamble Company	Consumer Goods Manufacturing	53,498,740	0.87%
Christ Hospital	Health Care	43,096,710	0.70%
Fifth Third Bank	Real Estate Holding	31,988,600	0.52%
Emery Realty Inc	Real Estate Holding	26,113,270	0.43%
OTR Thomson & Reuters	Real Estate Holding	19,474,150	0.32%
Regency Centers LP	Real Estate Holding	17,233,150	0.28%
Columbia Development Corporation	Real Estate Holding	17,150,000	0.28%
	Subtotal	779,060,230	12.73%
	All Others	5,337,196,940	87.27%
	Total	\$6,116,257,170	100.00%

Taxpayer	Nature of Business	Calendar Year 2007	
		Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc.	Public Utility	\$266,418,680	4.06%
City of Cincinnati	Municipality	86,438,770	1.32%
The Proctor & Gamble Company	Consumer Goods Manufacturing	71,689,590	1.09%
Cincinnati Bell Telephone Co.	Public Utility	29,158,860	0.44%
Carew Realty	Real Estate Holding	26,250,000	0.40%
Ohio Teachers Retirement System	Real Estate Holding	24,239,670	0.37%
Columbia Development Corporation	Real Estate Holding	24,192,250	0.37%
Fifth Third Bank	Financial Institution	21,573,720	0.33%
HK New Plan Exchange Property	Real Estate Holding	20,749,510	0.32%
Fifth Third Center Association	Real Estate Holding	19,737,930	0.30%
	Subtotal	590,448,980	9.00%
	All Others	5,964,663,020	91.00%
	Total	\$6,555,112,000	100.00%

Source: County Auditor - Land and Buildings

Note: 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
Last Ten Calendar Years
(amounts in thousands)
Schedule 11

Collection Year	2007	2008	2009	2010
Total Tax Levy (1)	\$281,679	\$278,080	\$310,725	\$325,378
Collections within the Fiscal Year of the Levy				
Current Tax Collections (2)	234,117	255,997	250,932	260,668
Percent of Levy Collected	83.11%	92.06%	80.76%	80.11%
Delinquent Tax Collections	12,665	14,997	12,543	16,232
Total Tax Collections	246,782	270,994	263,475	276,900
Percent of Total Tax Collections To Tax Levy	87.61%	97.45%	84.79%	85.10%
Accumulated Outstanding Delinquent Taxes (3)	17,877	21,615	29,563	29,345
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	6.35%	7.77%	9.51%	9.02%

Source: County Auditor

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

- (1) Taxes levied and collected are presented on a cash basis
- (2) State reimbursements of homestead and rollback exemptions are 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

2011	2012	2013	2014	2015	2016
\$310,483	\$312,059	\$304,954	\$311,559	\$311,560	\$367,968
256,563	263,761	266,216	271,843	271,843	353,927
82.63%	84.52%	87.30%	87.25%	87.25%	96.18%
15,936	11,725	10,725	10,472	10,472	10,913
272,499	275,486	276,941	282,315	282,315	364,840
87.77%	88.28%	90.81%	90.61%	90.61%	99.15%
22,483	22,535	25,739	27,022	29,116	30,679
7.24%	7.22%	8.44%	8.67%	9.35%	8.34%

Cincinnati City School District, Ohio
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years
Schedule 12

	2008	2009	2010	2011
Governmental Activities (1)				
General Obligation Bonds	\$651,203,169	\$628,860,293	\$640,782,247	\$624,312,582
Tax Anticipation Notes	27,455,000	18,755,000	9,610,000	0
Capital Leases	125,367,234	124,116,676	122,866,118	114,960,560
Total Governmental Activities	804,025,403	771,731,969	773,258,365	739,273,142
Population (2)				
City of Cincinnati	331,285	331,285	332,252	332,252
Outstanding Debt Per Capita	2,427	2,330	2,327	2,225
Income (3)				
Personal (in thousands)	13,740,708	14,155,808	12,965,832	12,614,612
Percentage of Personal Income	5.85%	5.45%	5.96%	5.86%

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

2012	2013	2014	2015	2016	2017
\$660,062,686	\$630,873,616	\$600,399,546	\$568,734,053	\$541,293,560	\$507,608,067
0	0	0	0	0	0
106,715,000	105,815,000	104,875,000	114,320,995	112,318,400	110,445,885
766,777,686	736,688,616	705,274,546	683,055,048	653,611,960	618,053,952
332,252	332,252	332,252	332,252	332,252	332,252
2,308	2,217	2,123	2,056	1,967	1,860
12,571,087	13,053,849	13,638,612	17,020,938	17,304,016	17,760,862
6.10%	5.64%	5.17%	4.01%	3.78%	3.48%

Cincinnati City School District, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Schedule 13

	2008	2009	2010	2011
Population (1)	331,285	331,285	332,252	332,252
Assessed Value (in thousands) (2)	\$6,736,715	\$6,587,500	\$6,586,500	\$6,597,340
General Bonded Debt (3)				
General Obligation Bonds	651,203,169	628,860,293	640,782,247	624,312,582
Resources Available to Pay Principal (4)	23,190,860	9,466,772	12,439,296	(282,873)
Net General Bonded Debt	628,012,309	619,393,521	628,342,951	624,595,455
Ratio of Net Bonded Debt to Estimated Actual Value	9.32%	9.40%	9.54%	9.47%
Net Bonded Debt per Capita	1,896	1,870	1,891	1,880

Sources:

(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

2012	2013	2014	2015	2016	2017
332,252	332,252	332,252	332,252	332,252	332,252
\$6,029,948	\$5,954,322	\$5,926,062	\$6,015,607	\$6,054,466	\$6,116,257
660,062,686	630,873,616	600,399,546	568,734,053	541,293,560	507,608,067
28,654,095	33,416,766	36,585,283	35,185,555	39,829,930	36,496,291
631,408,591	597,456,850	563,814,263	533,548,498	501,463,630	471,111,776
10.47%	10.03%	9.51%	8.87%	8.28%	7.70%
1,900	1,798	1,697	1,606	1,509	1,418



Cincinnati City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2017
 Schedule 14

Governmental Unit	Net Debt Outstanding	Percentage Applicable to Cincinnati Public School District (1)	Amount Applicable to Cincinnati Public School District (1)
Direct			
Cincinnati Public School District	<u>\$618,053,952</u>	100.00%	<u>\$618,053,952</u>
Overlapping Debt			
Hamilton County	71,750,000	33.13%	23,770,775
Cities			
Cheviot	370,000	100.00%	370,000
Cincinnati	516,125,000	99.98%	516,044,112
Madeira	360,000	0.54%	1,944
Norwood	2,370,942	0.03%	711
Wyoming	10,080,000	0.01%	1,008
Villages			
Silverton	730,000	92.93%	678,389
Townships			
Anderson	10,730,000	0.14%	15,022
Delhi	2,785,000	1.54%	42,889
Springfield	7,865,000	4.74%	372,801
Sycamore	<u>16,175,000</u>	3.10%	<u>501,425</u>
Total Overlapping Debt	<u>639,340,942</u>		<u>541,799,076</u>
Total Direct and Overlapping Debt			<u>\$1,159,853,028</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the District by the total assessed valuation of the government.

Cincinnati City School District, Ohio
Debt Limitations
Last Ten Years
(amounts in thousands)
Schedule 15

Collection Year	2008	2009	2010	2011
Net Assessed Valuation	\$6,736,715	\$6,587,500	\$6,586,500	\$6,597,340
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	606,304	592,875	592,785	593,761
Applicable District Debt Outstanding	651,203	628,860	640,782	624,313
Less: Applicable Debt Service Fund Amounts (2)	<u>(23,191)</u>	<u>(9,467)</u>	<u>(12,439)</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>628,012</u>	<u>619,393</u>	<u>628,343</u>	<u>624,313</u>
Overall Legal Debt Margin	<u>(21,708)</u>	<u>(26,518)</u>	<u>(35,558)</u>	<u>(30,552)</u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	<u>6,737</u>	<u>6,588</u>	<u>6,587</u>	<u>6,597</u>
Unvoted Legal Debt Margin	<u>6,737</u>	<u>6,588</u>	<u>6,587</u>	<u>6,597</u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	60,630	59,288	59,279	59,376
Authorized by the Board	<u>(8,655)</u>	<u>(5,900)</u>	<u>(24,740)</u>	<u>(24,715)</u>
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$51,975</u>	<u>\$53,388</u>	<u>\$34,539</u>	<u>\$34,661</u>

Notes:

- (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.

2012	2013	2014	2015	2016	2017
\$6,029,948	\$5,954,322	\$5,926,062	\$6,015,607	\$6,054,466	\$6,116,257
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
542,695	535,889	533,346	541,405	544,902	550,463
660,063	630,874	600,400	568,734	541,294	507,608
(28,654)	(33,417)	(36,586)	(35,186)	(39,830)	(36,496)
631,409	597,457	563,814	533,548	501,464	471,112
(88,713)	(61,568)	(30,468)	7,857	43,438	79,351
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6,030	5,954	5,926	6,016	6,054	6,116
6,030	5,954	5,926	6,016	6,054	6,116
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
54,270	53,589	53,335	54,140	54,490	55,046
(50,965)	(50,965)	(50,965)	(50,965)	(50,965)	(50,965)
\$3,305	\$2,624	\$2,370	\$3,175	\$3,525	\$4,081

Cincinnati City School District, Ohio
 Demographic and Economic Statistics
 Last Ten Years
 Schedule 16

Calendar Year	2007	2008	2009	2010
Population (1)				
City of Cincinnati	331,285	331,285	331,285	332,252
Hamilton County	845,303	845,303	845,303	802,374
Income (2) (a)				
Total Personal (in thousands)	13,740,708	14,155,808	12,965,832	12,614,612
Per Capita	41,477	42,730	39,138	37,967
Unemployment Rate (3)				
Federal	4.6%	5.8%	9.3%	9.6%
State	5.6%	6.6%	10.2%	10.1%
Hamilton County	5.0%	5.6%	8.9%	9.4%
Fiscal Year				
	2008	2009	2010	2011
School Enrollment (4)				
Grades K - 5	15,279	15,486	15,545	15,105
Grades 6 - 8	7,278	7,311	7,053	6,976
Grades 9 - 12	10,681	10,558	9,927	9,928
Total School Enrollment	33,238	33,355	32,525	32,009

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

2011	2012	2013	2014	2015	2016
332,252	332,252	332,252	332,252	332,252	332,252
802,374	802,374	802,374	802,374	802,374	802,374
12,571,087	13,053,849	13,638,612	17,020,938	17,304,016	17,760,862
37,836	39,289	41,049	51,229	52,081	53,456
8.9%	7.6%	6.1%	6.2%	4.3%	6.0%
8.6%	7.2%	5.5%	5.7%	4.9%	5.0%
8.6%	7.5%	5.4%	5.3%	4.5%	4.6%
2012	2013	2014	2015	2016	2017
14,982	16,474	15,366	16,766	16,603	16,835
6,713	6,631	6,599	7,120	7,198	7,031
9,061	8,639	8,256	8,811	8,920	8,966
30,756	31,744	30,221	32,697	32,721	32,832



Cincinnati City School District, Ohio
Principal Employers
Current Year and Nine Years Ago
Schedule 17

Employer	Nature of Business	Calendar Year 2017	
		Number of Employees	Rank
The Kroger Co.	Consumer Goods Distribution	21,263	1
Cincinnati Children's Hospital	Health Care	15,429	2
Tri Health Inc.	Health Care	12,000	3
UC Health	Health Care	11,241	4
University of Cincinnati	Education	10,551	5
GE Aviation	Consumer Manufacturing	10,500	6
Mercy Health Partners	Health Care	10,442	7
The Procter and Gamble Co.	Consumer Manufacturing	10,000	8
St. Elizabeth Healthcare	Health Care	8,413	9
Fifth Third Bancorp	Financial Institution	7,496	10
Total		<u>117,335</u>	

Employer	Nature of Business	Calendar Year 2008	
		Number of Employees	Rank
University of Cincinnati	Education	15,864	1
The Kroger Co.	Consumer Goods Distribution	15,600	2
Health Alliance	Health Care	14,785	3
The Procter & Gamble Co.	Consumer Goods Manufacturing	12,315	4
Cincinnati Children's Hospital	Health Care	9,464	5
Tri Health Inc.	Health Care	9,400	6
Fifth Third Bancorp	Financial Institution	7,645	7
WalMart Stores	National Retailer	7,500	8
ABX Air Inc.	All Cargo Airline	7,500	9
GE Aviation	Consumer Manufacturing	7,400	10
Total		<u>107,473</u>	

Source: Cincinnati USA

Cincinnati City School District, Ohio
 School District Employees by Type
 Last Ten Fiscal Years
 Schedule 18

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (a)</u>
Supervisory				
Executive Administration	0.00	0.00	0.00	9.00
Principals	68.00	57.00	56.00	56.00
Assistant Principals	39.00	40.50	41.00	41.00
Supervisor/Coordinator/Director	0.00	0.00	0.00	76.00
Consultants/Supervisors of Instruction	25.00	22.80	25.00	0.00
Instructional Administrators	2.00	4.00	5.00	0.00
Noninstructional Administrators	36.00	58.00	62.00	0.00
Other Official/Administration	0.00	0.00	0.00	2.00
Instruction				
Classroom Teachers	2,268.05	2,178.67	2,193.00	2,118.00
Teacher Support	0.00	0.00	0.00	99.00
Student Services				
Guidance Counselors	17.60	16.80	17.00	15.00
Instructional Paraprofessional/T. Aide	0.00	0.00	0.00	843.00
Librarians/Librarian Aide	25.55	24.60	24.00	23.00
Psychologists	63.40	71.20	72.00	62.00
Therapist/Therapist Asst./Interpreter	0.00	0.00	0.00	102.00
Social Workers	37.10	35.63	31.00	21.00
Other Professionals (noninstructional)	107.12	110.91	113.00	68.00
Support Services				
Accounting/Office Clerical	0.00	0.00	0.00	286.00
Clerical/Secretaries	332.37	335.68	324.00	0.00
Custodial/Grounds	0.00	0.00	0.00	198.00
Food Service	183.38	173.19	164.00	164.00
Maintenance/Trade Crafts	0.00	0.00	0.00	125.00
Maintenance/Grounds	367.03	344.77	339.00	0.00
Safety/Security	144.27	148.67	113.00	119.00
Technical	0.00	0.00	0.00	19.00
Tutors/Aides	938.84	1,019.54	957.00	0.00
Other Support Services	0.00	0.00	0.00	23.00
Total Employees	<u><u>4,654.71</u></u>	<u><u>4,641.96</u></u>	<u><u>4,536.00</u></u>	<u><u>4,469.00</u></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

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

2012	2013	2014	2015	2016	2017
11.00	10.00	17.00	12.00	12.00	13.00
53.00	57.00	57.00	53.00	57.00	55.00
36.60	29.00	33.00	36.00	40.00	42.00
63.75	59.75	116.50	69.00	84.60	81.60
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	0.00	0.00	0.00
2.00	2.00	4.00	2.00	1.00	2.00
1,973.74	1,970.97	2,005.83	2,091.00	2,469.70	2,486.90
74.45	99.65	102.10	100.00	62.30	176.80
14.00	14.60	15.60	22.00	28.00	30.20
791.95	766.09	772.46	764.00	973.10	993.60
21.30	18.50	15.00	15.00	14.50	13.00
53.60	51.41	58.35	66.00	70.10	89.20
107.77	99.10	93.91	101.00	105.70	95.90
17.73	16.33	13.20	15.00	19.20	16.00
81.91	65.85	68.27	86.00	86.40	50.80
264.99	236.63	246.33	272.00	294.16	295.20
0.00	0.00	0.00	0.00	0.00	0.00
193.00	190.63	194.63	203.00	209.00	208.00
165.12	165.16	167.44	245.00	190.70	179.90
117.99	107.99	115.68	116.00	121.00	117.00
0.00	0.00	0.00	0.00	0.00	0.00
99.00	96.00	110.78	119.00	133.00	130.00
31.05	16.00	30.00	19.00	21.20	17.00
0.00	0.00	0.00	69.00	1.00	0.00
26.97	55.67	53.46	0.00	70.00	39.40
<u>4,200.92</u>	<u>4,128.33</u>	<u>4,290.54</u>	<u>4,475.00</u>	<u>5,063.66</u>	<u>5,132.50</u>

Cincinnati City School District, Ohio
 Operating Indicators - Cost per Pupil
 Last Ten Fiscal Years
 Schedule 19

	2008	2009	2010	2011 (a)
Enrollment	33,238	33,355	32,525	32,009
Modified Accrual Basis				
Operating Expenditures (1)	504,776,861	513,957,839	526,854,165	548,361,413
Cost per Pupil	15,187	15,409	16,198	17,131
Percentage of Change	1.3%	1.4%	4.9%	5.4%
Accrual Basis				
Operating Expenditures (1)	523,834,057	537,347,897	541,046,687	561,569,166
Cost per Pupil	15,760	16,110	16,635	17,544
Percentage of Change	4.6%	2.2%	3.2%	5.2%
Teaching Staff	2,351	2,384	2,193	2,363

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

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

(2) Expenses do not include interest expense

N/A = Not available

2012	2013	2014	2015	2016	2017
30,756	31,744	30,221	32,697	32,721	32,832
537,053,531	525,175,015	538,949,863	586,568,355	577,429,766	614,184,741
17,462	16,544	17,834	17,940	17,647	18,707
1.9%	(5.5%)	7.2%	0.6%	(1.7%)	5.7%
563,999,462	564,658,137	551,762,393	599,661,600	611,799,316	682,030,218
18,338	17,788	18,258	18,340	18,697	20,773
4.3%	(3.1%)	2.6%	0.4%	1.9%	10.0%
2,023	2,804	2,183	2,333	2,560	2,694

Cincinnati City School District, Ohio
 Operating Indicators by Function
 Last Ten Fiscal Years
 Schedule 20

	2008	2009	2010	2011
Governmental Activities				
Support Services				
Pupils				
Enrollment	33,438	33,121	32,525	32,009
Graduates	1,803	1,799	1,766	1,736
Percent of Students with Disabilities	18.22%	20.00%	20.80%	21.00%
Percent of Students with English as Second Language	3.00%	3.10%	3.70%	3.70%
Administration				
School Attendance Rate	95.70	94.80	97.90	95.80
Fiscal Services				
Purchase Orders Processed	18,758	19,293	19,943	16,250
Checks Issued (non payroll)	27,395	24,083	26,662	25,885
Operation and Maintenance				
District Square Footage Maintained	7,949,000	6,977,896	5,916,038	5,983,415
District Square Acreage Maintained	925	755	755	755
Percentage of Capacity Used	86.00%	92.42%	94.55%	93.03%
Average Age of Buildings	46	42	37	36
Pupil Transportation				
Average Daily Students Transported	23,676	24,585	20,894	19,938
Average Daily Bus Fleet Miles	25,415	29,690	30,917	31,079
Number of Buses	431	358	413	426
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	3,315,962	5,298,035	5,248,226	5,613,070
Free/Reduced Price Meals Daily	2,893,212	4,629,370	4,679,097	3,972,566
Percentage of Students Receiving Free and Reduced Lunch	87.25%	87.38%	89.16%	70.77%
Extracurricular Activities				
High School Varsity Teams	100	126	142	144

Source: District Treasurer's Office

(a) 2012 enrollment data reflects an October 2011 enrollment head count, prior years reflect a count as of June 30

2012 (a)	2013	2014	2015	2016	2017
30,756	29,928	30,221	32,697	33,999	32,832
1,605	1,609	1,789	1,660	1,623	1,646
20.10%	19.30%	19.40%	17.82%	19.00%	18.40%
4.30%	5.10%	5.40%	5.10%	6.80%	6.30%
95.00	95.70	95.80	95.00	93.00	95.20
0	11,953	15,335	18,383	20,088	15,667
22,137	18,602	15,302	15,255	15,763	18,508
5,892,176	6,073,977	6,073,977	6,073,977	6,079,477	6,480,139
755	755	755	755	755	730
~93.00%	95.30%	95.30%	95.30%	95.30%	100.00%
19	18	21	21	22	22
20,984	21,118	24,101	24,035	24,858	26,747
24,912	25,295	19,790	19,422	19,447	20,308
427	425	406	405	405	416
5,920,539	5,895,704	5,901,123	5,917,176	6,617,406	6,683,877
5,265,433	5,564,086	5,586,647	5,599,584	6,476,786	6,437,203
88.94%	94.38%	94.67%	94.63%	97.87%	96.31%
126	121	113	114	161	167

Cincinnati City School District, Ohio
 Operating Indicators - Teacher Base Salaries
 Last Ten Fiscal Years
 Schedule 21

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Salary				
Minimum Salary	\$36,905	\$36,905	\$36,905	\$39,262
Maximum Salary	83,455	87,979	87,979	83,455
District Average Salary	64,029	67,097	64,344	64,638
County Average Salary	55,001	58,300	48,000	42,195
State Average Salary	43,410	54,656	53,000	56,715
Teachers				
Bachelor's Degree	160	159	152	197
Bachelor + 15	519	519	488	486
Master's Degree	1,080	1,088	1,033	1,054
Master's Degree + 30	545	567	486	572
Doctorate	<u>47</u>	<u>51</u>	<u>34</u>	<u>54</u>
Total	2,351	2,384	2,193	2,363

Source: District Treasurer's Office and Ohio Department of Education
 N/A- Information not available

2012	2013	2014	2015	2016	2017
\$40,926	\$42,619	\$40,832	\$40,832	\$41,649	\$41,649
83,455	83,455	86,793	82,826	88,529	88,529
65,966	66,470	63,081	64,243	63,950	63,709
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
127	245	191	257	302	290
401	501	415	431	494	465
958	1,220	982	1,030	1,098	1,097
507	779	548	573	624	523
30	59	47	42	42	28
2,023	2,804	2,183	2,333	2,560	2,403

Cincinnati City School District, Ohio
 Capital Asset Statistics by Building
 Last Ten Fiscal Years
 Schedule 22

	2008	2009	2010	2011
School Buildings				
High Schools				
Number of Buildings	11	11	11	13
Square Footage	2,638,069	2,638,069	2,443,649	2,469,919
Capacity (Students)	14,655	13,415	10,950	11,600
Enrollment	10,681	12,597	9,927	12,587
Elementary Schools				
Number of Buildings	47	46	46	43
Square Footage	4,348,245	3,583,896	3,472,389	3,222,684
Capacity (Students)	26,607	21,450	23,915	22,800
Enrollment	22,557	20,524	22,598	19,422
All Other Buildings				
Central Administration Building				
Square Footage	140,033	140,033	140,033	140,033
Maintenance Building				
Square Footage	150,779	150,779	150,779	150,779

Source: District Treasurer's Office

2012	2013	2014	2015	2016	2017
13	13	13	13	13	13
2,668,672	2,382,548	2,382,548	2,382,548	2,382,548	2,279,274
10,192	10,192	10,192	10,192	10,192	10,192
9,061	8,639	13,485	15,931	16,118	15,997
46	44	44	44	44	44
3,371,043	3,055,697	3,055,697	3,055,697	3,055,697	3,055,697
23,474	22,585	22,585	22,585	22,585	22,585
21,695	23,105	16,661	16,766	16,603	16,835
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 Fiscal Years
 Schedule 23

	2008	2009	2010	2011
ACT Scores (Average)				
Cincinnati	19.0	18.9	19.1	18.1
Ohio	21.7	21.7	21.8	21.8
National	21.1	21.1	21.0	21.1
SAT Scores (Average)				
Cincinnati				
Verbal	497	518	524	513
Mathematical	486	508	514	501
Ohio				
Verbal	534	537	538	539
Mathematical	544	546	548	545
National				
Verbal	502	501	501	497
Mathematical	515	515	516	514
National Merit Scholars				
Finalist	0	0	7	0
Semi-Finalist	11	21	21	19
Cost per Student (ODE)				
Cincinnati	12,315	13,012	13,449	14,067
Ohio (Average)	9,939	10,184	10,513	10,513
Cost to Educate a Graduate				
Cincinnati	129,086	135,319	148,331	161,780
Ohio (Average)	101,747	105,992	116,176	126,689
Attendance Rate				
Cincinnati	94.80%	95.20%	97.90%	95.80%
Ohio (Average)	94.20%	94.40%	94.30%	94.50%
Graduation Rate				
Cincinnati	80.00%	82.90%	80.40%	81.90%
Ohio (Average)	86.90%	84.60%	83.00%	84.30%

Source: District's Student Records and Ohio Department of Education
 N/A- Information not available

2012	2013	2014	2015	2016	2017
19.3	18.8	18.5	19.1	19.2	19.4
21.8	21.8	22.0	22.0	22.0	22.0
21.1	20.9	21.0	21.0	20.8	21.0
548	568	588	601	624	624
535	558	566	581	608	608
543	548	555	557	556	556
548	556	562	563	563	563
496	496	497	495	494	494
514	514	513	511	508	508
17	0	2	4	2	18
22	0	18	20	22	2
14,720	N/A	N/A	13,973	13,240	N/A
10,571	N/A	N/A	10,826	10,863	N/A
175,847	190,567	N/A	167,844	170,103	N/A
137,202	147,773	N/A	127,659	130,081	N/A
95.00%	95.70%	95.80%	95.00%	93.00%	95.20%
94.20%	94.20%	94.30%	94.10%	94.10%	
63.90%	66.00%	73.60%	72.90%	72.70	N/A
83.80%	81.30%	82.20%	83.00%	83.50	N/A





Dave Yost • Auditor of State

CINCINNATI CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 1, 2018**