

Cincinnati Preschool Promise, LLC

Financial Statements

June 30, 2019 and 2018

(with Independent Auditors' Report)



CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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INDEPENDENT AUDITORS' REPORT

The Board of Managers
Cincinnati Preschool Promise, LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of Cincinnati Preschool Promise, LLC (a not-for-profit limited liability company), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cincinnati Preschool Promise, LLC as of June 30, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Reports of Cincinnati Public Schools Levy Funds presented on pages 15-16 are presented for purposes of additional analysis and are not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
January 28, 2020

Cincinnati Preschool Promise, LLC
 Statements of Financial Position
 June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Cash	\$ 3,426,375	3,365,440
Accounts receivable	-	4,293
Prepaid expenses	8,123	-
Property and equipment, net	<u>76,300</u>	<u>114,450</u>
 Total assets	 \$ <u>3,510,798</u>	 <u>3,484,183</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 401,040	233,663
Accrued expenses	13,395	3,655
Refundable advances	<u>2,863,022</u>	<u>2,984,297</u>
	<u>3,277,457</u>	<u>3,221,615</u>
Net assets without donor restrictions	<u>233,341</u>	<u>262,568</u>
 Total liabilities and net assets	 \$ <u>3,510,798</u>	 <u>3,484,183</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
Statement of Activities
Year ended June 30, 2019

Revenues:		
Contributions	\$	8,923
Shared property taxes revenue		6,023,025
Donated goods and services		<u>205,208</u>
Total revenues		<u>6,237,156</u>
Expenses:		
Program services		5,349,237
Management and general		<u>917,146</u>
Total expenses		<u>6,266,383</u>
Change in net assets		<u>(29,227)</u>
Net assets at beginning of year		<u>262,568</u>
Net assets at end of year	\$	<u><u>233,341</u></u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
Statement of Activities
Year ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 590	-	590
Shared property taxes revenue	4,096,335	-	4,096,335
Donated goods and services	148,877	-	148,877
Other	1,059	-	1,059
Net assets released from restrictions	<u>20,274</u>	<u>(20,274)</u>	<u>-</u>
Total revenues	<u>4,267,135</u>	<u>(20,274)</u>	<u>4,246,861</u>
Expenses:			
Program services	3,092,397	-	3,092,397
Management and general	<u>1,105,659</u>	<u>-</u>	<u>1,105,659</u>
Total expenses	<u>4,198,056</u>	<u>-</u>	<u>4,198,056</u>
Change in net assets	<u>69,079</u>	<u>(20,274)</u>	<u>48,805</u>
Net assets at beginning of year	<u>193,489</u>	<u>20,274</u>	<u>213,763</u>
Net assets at end of year	<u>\$ 262,568</u>	<u>-</u>	<u>262,568</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
Statement of Functional Expenses
Year ended June 30, 2019

	<u>Tuition Assistance</u>	<u>Quality Improvement</u>	<u>Cost of Quality</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total</u>
Tuition payments	\$ 3,409,590	-	-	3,409,590	-	3,409,590
Classroom supplies, education tools and related products	-	594,988	-	594,988	-	594,988
Coaching, professional development and related services	-	471,635	-	471,635	-	471,635
Teacher grants	-	-	41,368	41,368	-	41,368
Salaries	59,060	95,553	89,823	244,436	304,668	549,104
Employee benefits	5,350	6,844	8,155	20,349	25,172	45,521
Payroll taxes	5,086	8,630	8,137	21,853	25,299	47,152
Professional fees	388,390	73,952	6,312	468,654	444,327	912,981
Telephone	-	-	-	-	4,626	4,626
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	1,154	612	-	1,766	5,172	6,938
Marketing and promotions	31,554	-	-	31,554	58,029	89,583
Travel	25	-	-	25	2,978	3,003
Meetings and conferences	-	1,293	682	1,975	3,743	5,718
Office	250	-	-	250	9,501	9,751
Depreciation	34,335	3,815	-	38,150	-	38,150
Miscellaneous	-	-	-	-	7,923	7,923
Total expenses	\$ <u>3,935,515</u>	<u>1,258,524</u>	<u>155,198</u>	<u>5,349,237</u>	<u>917,146</u>	<u>6,266,383</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
Statement of Functional Expenses
Year ended June 30, 2018

	<u>Tuition Assistance</u>	<u>Quality Improvement</u>	<u>Cost of Quality</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total</u>
Tuition payments	\$ 2,169,925	-	-	2,169,925	-	2,169,925
Salaries	59,074	70,694	11,087	140,855	169,000	309,855
Employee benefits	6,063	6,497	603	13,163	7,995	21,158
Payroll taxes	5,631	6,775	1,054	13,460	20,331	33,791
Contract wages	19,392	2,155	-	21,547	128,840	150,387
Professional fees	439,009	163,254	3,975	606,238	649,435	1,255,673
Telephone	-	-	-	-	4,151	4,151
Equipment	5,273	7,469	-	12,742	24,813	37,555
Occupancy	3,416	4,839	-	8,255	15,372	23,627
Printing and publications	1,225	128	-	1,353	7,534	8,887
Marketing and promotions	15,286	-	-	15,286	53,542	68,828
Travel	371	213	-	584	647	1,231
Meetings and conferences	623	48,376	1,020	50,019	5,623	55,642
Office	41	751	-	792	10,983	11,775
Depreciation	34,335	3,815	-	38,150	-	38,150
Miscellaneous	<u>25</u>	<u>3</u>	<u>-</u>	<u>28</u>	<u>7,393</u>	<u>7,421</u>
 Total expenses	 \$ <u>2,759,689</u>	 <u>314,969</u>	 <u>17,739</u>	 <u>3,092,397</u>	 <u>1,105,659</u>	 <u>4,198,056</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
 Statements of Cash Flows
 Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (29,227)	48,805
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,150	38,150
Effects of change in operating assets and liabilities:		
Accounts receivable	4,293	746,019
Prepaid expenses	(8,123)	-
Accounts payable	167,377	(912,867)
Accrued expenses	9,740	3,655
Refundable advances	<u>(121,275)</u>	<u>2,984,297</u>
Net cash provided by operating activities	<u>60,935</u>	<u>2,908,059</u>
Cash flows from investing activities:		
Capital expenditures	<u>-</u>	<u>(107,600)</u>
Net change in cash	60,935	2,800,459
Cash at beginning of year	<u>3,365,440</u>	<u>564,981</u>
Cash at end of year	\$ <u>3,426,375</u>	<u>3,365,440</u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Cincinnati Preschool Promise, LLC (the "Organization") are set forth to facilitate the understanding of data presented in the financial statements.

Organization and business description

Cincinnati Preschool Promise, LLC is a not-for-profit limited liability company with Articles of Organization filed with the Ohio Secretary of State on September 28, 2016. Originally known as Cincinnati PEO, LLC, ("PEO" meaning "Preschool Expansion Organization") it changed its name to Cincinnati Preschool Promise, LLC in March 2017.

The Organization's mission is to expand access to quality community provider preschools located within the geographic boundaries of the Cincinnati City School District (the "School District") in Hamilton County, Ohio (the "School District"). Therefore, any spending by the School District on its preschool programs, including Tuition Assistance spending, is not included in these audited financial statements. For School District spending please see the School District's published financial statements.

The Organization focuses on access to quality preschools because attending a quality preschool is considered a key step to preparing children for future educational achievement. The Organization considers "community provider preschools" (also referred to as "community providers") as those licensed preschools that are operated within the School District boundaries by entities other than the School District.

To this aim the Organization currently focuses its resources on three main programs, Tuition Assistance, Quality Improvement and Cost of Quality.

Tuition Assistance provides financial support to help families afford quality community provider preschools. The support is paid directly to eligible quality preschool providers. Quality Improvement provides education tools, classroom supplies, insurance subsidies, professional training opportunities, coaching and other supports to community provider preschools in order to help them reach quality and thereby increase the number of quality preschool spaces available within the geographic boundaries of the School District. Cost of Quality provides wage support and professional achievement payment to lead preschool classroom teachers at community providers. The payments are made as part of a greater effort to reduce lead preschool teacher turnover and promote professional achievement. A reduction in turnover and increasing professional achievement are seen as indispensable to improving quality in preschool classrooms and with it the educational achievement of preschool students. The Organization also expends financial resources for management and general ("M&G") expenses. M&G expenses are generally referred to as administrative costs. These M&G expenses are considered necessary for the organization to operate effectively but are not attributable to a specific program.

The Organization considers a preschool program to be a quality preschool if it is rated three, four, or five stars using the State of Ohio's Step Up To Quality Scale. The scale is an integral part of the Step Up To Quality program administered by the Ohio Department of Education and the Ohio Department of Job and Family Services.

As it relates to Tuition Assistance, the Organization provides assistance to eligible four and three-year-old children in accordance with the Master Agreement for Preschool Expansion Services (the "Master

Agreement”). A copy of the Master Agreement is available on the Organization’s website (www.cincy-promise.org).

As it relates to Quality Improvement, the Organization provides assistance for quality improvements at eligible preschool programs not currently rated as three, four, or five stars in the previously mentioned Step Up To Quality Scale. The aim of the assistance is to help those preschools achieve a three, four, or five-star rating and thereby increase the number of quality community provider preschool slots available for children living in the geographic boundaries of the School District. The Organization develops individualized plans for each preschool provider. The plans serve as the roadmap for the provider to achieve a three, four, or five-star rating. The plans not only help the provider focus its efforts, but also guides the type of financial support provided by the Organization.

As it relates to the Cost of Quality program, the Organization seeks to improve the quality of preschool education by providing financial support to qualifying preschool teachers and thereby absorbing some of the cost of improving preschool quality. During 2019, the program operated two pilot grants focused on improving preschool teacher compensation at community providers. These pilot grants, structured as direct payments to teachers, are expected to positively impact children’s education through reduced teacher turnover, decreased teacher stress, increased teacher satisfaction, and expanded teacher professional development or education. The Teacher Promise Grant (TPG) provides monthly financial support to qualifying lead preschool classroom teachers for each month they remain in their role at their preschool employer. The Teacher Advancement Bonus pilot provides an additional, pre-determined, level of support, for TPG participants who reach professional development levels beyond the minimum licensing requirements or who increase their formal educational achievements.

The Organization does not currently engage in significant fundraising activities and is almost exclusively funded by revenue generated by a property tax levy approved in November 2016 by voters residing within the boundaries of the School District. The tax levy is described in more detail in Note 2.

As alluded to earlier, the Organization is subject to the Master Agreement between the School District, the Organization, and the United Way of Greater Cincinnati (the “UWGC”). The Master Agreement describes more specifically the aspirations, goals, and focus of the Organization, the School District, and UWGC. A copy of the agreement is available on the Organization’s website (www.cincy-promise.org).

Adoption of new accounting standard

During 2019, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about functional expenses, including allocation methodologies. The Organization has adjusted the presentation of these financial statements accordingly.

Income taxes

For federal tax purposes, the Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. It has been determined that the Organization is not a private foundation. The Organization’s policy with regards to interest and penalties is to recognize interest through interest expense and penalties through other expenses.

Financial statement presentation

The Organization reports information regarding its financial position and activities in two classes of net assets: net assets without donor restrictions which have no donor-imposed restrictions and net assets with donor restrictions which are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no net assets with donor restrictions as of June 30, 2019 and 2018.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash concentrations

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. Cash in excess of federally insured limits was approximately \$3,207,000 and \$3,129,000 as of June 30, 2019 and 2018, respectively.

Accounts receivable

The Organization carries its accounts receivable at the amount expected to be collected less an allowance for doubtful accounts. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Organization reviews past due accounts to determine if an allowance for doubtful accounts is necessary. Accounts receivable are written off when they are determined to be uncollectible. As of June 30, 2019 and 2018, no allowance for doubtful accounts has been recorded.

Property and equipment

Property and equipment are recorded at cost or fair value at the time of the gift in the case of donated items. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to expense as incurred; expenditures are capitalized if they are \$5,000 or more and have a useful life exceeding one year in length.

Refundable advances

Refundable advances consist of quarterly tax levy payments received prior to the Organization incurring allowable program expenses. Revenue is recognized when the program expenditures have been incurred.

Contributions

Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues of the net assets with donor restrictions class. Contributions received with restrictions whose restrictions are met in the same period are reported as net assets without donor restrictions revenue.

Donated materials and services

The Organization records the estimated fair value of certain donated materials and services as an expense in its financial statements, and similarly increases revenue by a like amount. The Organization records donated goods and services when the amounts contributed are greater than \$2,500. Donated materials and services totaled \$205,208 and \$6,377 for the years ended June 30, 2019 and 2018, respectively. In 2019 they primarily included finance, accounting and human resources back-office support services, in 2018 they primarily include legal services.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Expenses are directly applied when applicable and are allocated to programs or support services based on the table shown below. Such allocations are determined by management. Allocated expenses include the following:

Expense	Allocation Method
Salaries, benefits and taxes	Time and Effort
Professional fees	Time and Effort
Depreciation	Estimated use of the asset
Occupancy	Square footage

Advertising expenses

Advertising costs are expensed in the period in which they are incurred. Total advertising expense was \$89,583 and \$68,828 during the years ended June 30, 2019 and 2018, respectively.

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through January 28, 2020, the date on which the financial statements were available to be issued.

Reclassifications

Certain items from 2018 have been reclassified to conform to current year presentation.

2. TAX LEVY FUNDING:

The Organization is funded almost exclusively by a portion of the funds generated by a tax levy Cincinnati-area voter approved on November 8, 2016. The levy was referred to as Issue 44 on the ballot, was proposed by the Cincinnati City School District, of Hamilton County, Ohio, (School District), and was expected to generate approximately \$48,000,000 dollars per year for the School District. Preschool expansion is approximately \$15,000,000 annually, or 15/48ths of the estimated \$48,000,000 to be collected annually from the levy. The Organization receives a portion of the \$15,000,000 since some of the preschool expansion funds are used by the School District for its own preschool expansion efforts.

The Organization's funds come from the portion of the levy funds allocated for preschool expansion. The allocated funds are passed through United Way of Greater Cincinnati (UWGC). UWGC is a charitable organization with a history of involvement, support, and investment in work that focuses on solutions to

community issues. In the second step, UWGC transfers funds to the Organization as the Organization requests them. This process was created and outlined in the Master Agreement for Preschool Expansion Services (Master Agreement).

3. PROPERTY AND EQUIPMENT, NET:

Property and equipment consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Office furniture and equipment	\$ 152,600	152,600
Less accumulated depreciation	<u>(76,300)</u>	<u>(38,150)</u>
Total	\$ <u>76,300</u>	<u>114,450</u>

4. RELATED PARTY TRANSACTIONS:

As required by its Operating Agreement, the Organization’s Board of Managers must include individuals nominated by the School District, UWGC, and Cincinnati Promise Forward, an Ohio non-profit corporation. These individuals are able to vote in matters of the Organization.

The Master Agreement provides that UWGC will receive \$200,000 annually as an administrative fee. As part of this fee UWGC provides the Organization with executive management, financial and administrative support, including human resources, advocacy and fundraising. During the year ending June 30, 2019 the annual fee was waived by UWGC. During the year ending June 30, 2018, the Organization paid UWGC \$57,500, in regard to this fee. The remainder of the annual fees was waived in 2018.

UWGC is reimbursed for additional expenses relating to start-up activities performed by UWGC employees as well as expenses it incurred on behalf of, and services it provided to, the Organization. During the years ending June 30, 2019 and 2018, the Organization reimbursed UWGC \$8,600 and \$37,900, respectively, for these services.

The Organization and UWGC are further related as UWGC is the sole member of the Organization and also leases space to the Organization. The Organization entered into a one-year lease for office space with monthly payments due to UWGC of approximately \$2,400. The lease ends on December 31, 2019.

5. COMMITMENTS AND CONTINGENCIES:

The Organization has entered into an agreement with MetrixIQ to provide ongoing data system support and maintenance through August 2022. Expenses incurred from MetrixIQ totaled \$450,420 and \$487,080 during the years ended June 30, 2019 and 2018, respectively.

After amendments made in May 2019, the following is a schedule by fiscal year of future estimated payments required under the agreement as of June 30, 2019:

2020	\$ 382,447
2021	390,401
2022	406,785
2023	<u>68,299</u>
	\$ <u>1,247,932</u>

6. LIQUIDITY:

The Organization is substantially supported by property tax revenue. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

There were no restrictions or limitations on the assets noted below as of June 30, 2019 and 2018. The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash	\$ 3,426,375	3,365,440
Accounts receivable	<u> -</u>	<u> 4,293</u>
Financial assets available to meet cash		
Needs for general expenditures within one year	\$ <u>3,426,375</u>	<u>3,369,733</u>

7. NEW ACCOUNTING PRONOUNCEMENTS:

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the Organization's year ending June 30, 2020.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The standard will assist entities in determining whether transactions should be recorded as a contribution (nonreciprocal transaction) or as an exchange (reciprocal transaction). The standard also provides expanded guidance on determining whether or not a contribution is conditional. This standard will be effective for the Organization's year ending June 30, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Organization's year ending June 30, 2022.

The Organization is currently in the process of evaluating the impact of adoption of these ASU's on the financial statements.

Cincinnati Preschool Promise, LLC
 Report of Cincinnati Public School Levy Funds
 July 1, 2018 through June 30, 2019

	<u>Tuition</u>	<u>Quality</u>	<u>Cost of</u>	<u>Total</u>	<u>Management</u>	<u>Total</u>
	<u>Assistance</u>	<u>Improvements</u>	<u>Quality</u>	<u>Program</u>	<u>and General</u>	
Shared property taxes revenue	\$ 3,901,180	1,254,709	155,198	5,311,087	711,938	6,023,025
Tuition payments	\$ 3,409,590	-	-	3,409,590	-	3,409,590
Quality improvement	-	1,066,623	-	1,066,623	-	1,066,623
Teacher grants	-	-	41,368	41,368	-	41,368
Salaries	59,060	95,553	89,823	244,436	304,668	549,104
Employee benefits	5,350	6,844	8,155	20,349	25,172	45,521
Payroll taxes	5,086	8,630	8,137	21,853	25,299	47,152
Professional fees	388,390	73,952	6,312	468,654	239,119	707,773
Telephone	-	-	-	-	4,626	4,626
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	1,154	612	-	1,766	5,172	6,938
Marketing and promotions	31,554	-	-	31,554	58,029	89,583
Travel	25	-	-	25	2,978	3,003
Meetings and conferences	-	1,293	682	1,975	3,743	5,718
Office	250	-	-	250	9,501	9,751
Miscellaneous	-	-	-	-	7,923	7,923
Total expenses	<u>3,901,180</u>	<u>1,254,709</u>	<u>155,198</u>	<u>5,311,087</u>	<u>711,938</u>	<u>6,023,025</u>
Tax revenues invested in capital assets	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: This supplemental schedule includes only levy expenses incurred and levy revenue received by the Organization.

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC
 Report of Cincinnati Public School Levy Funds
 July 1, 2017 through June 30, 2018

	<u>Tuition</u>	<u>Quality</u>	<u>Cost of</u>	<u>Total</u>	<u>Management</u>	<u>Total</u>
	<u>Assistance</u>	<u>Improvements</u>	<u>Quality</u>	<u>Program</u>	<u>and General</u>	
Shared property taxes revenue	\$ 2,822,194	321,914	17,739	3,161,847	934,488	4,096,335
Tuition payments	\$ 2,169,925	-	-	2,169,925	-	2,169,925
Salaries	59,074	70,694	11,087	140,855	169,000	309,855
Employee benefits	6,063	6,497	603	13,163	7,995	21,158
Payroll taxes	5,631	6,775	1,054	13,460	20,331	33,791
Contract wages	19,392	2,155	-	21,547	128,840	150,387
Professional fees	439,009	163,254	3,975	606,238	480,284	1,086,522
Telephone	-	-	-	-	4,151	4,151
Equipment	5,273	7,469	-	12,742	24,813	37,555
Occupancy	3,416	4,839	-	8,255	15,372	23,627
Printing and publications	1,225	128	-	1,353	7,534	8,887
Marketing and promotions	15,286	-	-	15,286	53,542	68,828
Travel	371	213	-	584	647	1,231
Meetings and conferences	623	48,376	1,020	50,019	4,661	54,680
Office	41	751	-	792	10,983	11,775
Miscellaneous	25	3	-	28	6,335	6,363
Total expenses	<u>2,725,354</u>	<u>311,154</u>	<u>17,739</u>	<u>3,054,247</u>	<u>934,488</u>	<u>3,988,735</u>
Tax revenues invested in capital assets	\$ <u>96,840</u>	<u>10,760</u>	<u>-</u>	<u>107,600</u>	<u>-</u>	<u>107,600</u>

Note: This supplemental schedule includes only levy expenses incurred and levy revenue received by the Organization.

See accompanying notes to the financial statements.

