



Dave Yost • Auditor of State

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY
JUNE 30, 2016**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	5
Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance Required by the Uniform Guidance	7
Schedule of Findings.....	10
Summary Schedule of Prior Audit Findings and Questioned Costs.....	11

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL ENDED YEAR JUNE 30, 2016**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education:</i>					
Fruit and Vegetable Program					
Fruit and Vegetable Program	10.582	CCMO-2005		\$ 257,558	\$ 257,558
Team Nurtirion					
Smarter Lunchrooms	10.574			9,000	9,000
<u>Child Nutrition Cluster:</u>					
School Breakfast Program					
School Breakfast Program	10.553	05PU-2005		2,523,266	2,523,266
<i>Total CFDA #10.553</i>				2,523,266	2,523,266
National School Lunch Program					
National School Lunch Program (Non-Cash Assistance)	10.555	LLP4-2005		511,495	671,114
National School Lunch Program				7,913,552	7,913,552
<i>Total CFDA #10.555</i>				8,425,047	8,584,666
<i>Total Child Nutrition Cluster</i>				10,948,313	11,107,932
<i>Total U.S. Department of Agriculture</i>				11,214,871	11,374,490
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
<u>Student Financial Assistance Cluster:</u>					
Federal Pell Grant Program	84.063	1346401449A4			
LPN Pell Grant FY 15				45,017	45,017
LPN Pell Grant FY 16				603,092	603,092
<i>Total Federal Pell Grant Program</i>				648,109	648,109
Federal Family Education Loan Program:	84.268				
Adult Education				1,418,733	1,418,733
<i>Total U.S. Department of Education - Direct Programs</i>				2,066,842	2,066,842
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Programs:					
Head Start					
Head Start FY 15	93.600		\$ 1,406,209	4,070,492	4,035,402
Head Start FY 16	93.600		940,486	3,425,413	3,943,103
<i>Total U.S. Department of Health and Human Services</i>			2,346,695	7,495,905	7,978,505
U.S. DEPARTMENT OF LABOR					
Direct Program:					
Youth Career Connect					
Youth Career FY 16	17.274			674,272	711,633
<i>Total U.S. Department of Labor</i>				674,272	711,633
<i>Passed Through Ohio Department of Education:</i>					
<u>Special Education Cluster:</u>					
Special Education Grants to States					
Special Education IDEA, Part B FY 15	84.027	6BSF-2015		900,693	877,325
Special Education IDEA, Part B FY 16	84.027	6BSF-2016		4,877,948	5,266,078

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL ENDED YEAR JUNE 30, 2016**

<i>Total Special Education Grants to States</i>			<u>5,778,641</u>	<u>6,143,403</u>
Special Education Preschool Grants	84.173			
Preschool Grant FY 15			127,547	83,105
Preschool Grant FY 16			169,065	180,374
<i>Total CFDA #84.173</i>			<u>296,612</u>	<u>263,479</u>
<i>Total Special Education Cluster</i>			6,075,253	6,406,882
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants				
ARRA - Race to the Top FY 16	84.395		<u>333,270</u>	<u>302,753</u>
Title I:				
Title I Grants to Local Educational Agencies FY 15	84.010		2,902,094	2,608,293
Title I Grants to Local Educational Agencies FY 16			12,181,916	13,207,325
<i>Total Title I</i>			<u>15,084,010</u>	<u>15,815,618</u>
Vocational Education Basic Grants to States				
Adult FY 15	84.048	20C2-2015	156,276	106,147
Adult FY 16	84.048	20C2-2016	743,554	809,994
<i>Total Vocational Education Basic Grants to States</i>			<u>899,830</u>	<u>916,141</u>
Education for Homeless Children and Youth	84.196			
FY 15			67,587	48,589
FY 16			3,151	5,792
<i>Total Education for Homeless Children and Youth</i>			<u>70,738</u>	<u>54,381</u>
Improving Teacher Quality State Grants	84.367			
Improving Teacher Quality FY 15			617,229	564,337
Improving Teacher Quality FY 16			1,225,989	1,204,669
<i>Total Improving Teacher Quality State Grants</i>			<u>1,843,218</u>	<u>1,769,006</u>
English Language Acquisition Grants				
Limited English Grant FY 15	84.365	T3S1-2015	15,653	11,029
Limited English Grant FY 16	84.365	T3S1-2016	53,995	54,535
<i>Total English Language Acquisition Grants</i>			<u>69,648</u>	<u>65,564</u>
Twenty-First Century Grant 21st Century	84.287		<u>499,504</u>	<u>492,622</u>
School Improvement Cluster:				
School Improvement Competitive	84.377		111,921	129,183
<i>Total U.S. Department of Education - Pass Through Programs</i>			<u>24,987,392</u>	<u>25,952,150</u>
Total U.S. Department of Education			<u>27,054,234</u>	<u>28,018,992</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 46,439,282</u>	<u>\$ 48,083,620</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Toledo City School District, Lucas County, Ohio (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Receipts and expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The District passes certain federal awards received from the U.S. Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports receipts and expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and those subrecipients achieve the award's performance goals. The amount passed through to subrecipients was \$2,346,695.

NOTE D - 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 E – FOOD DONATION PROGRAM

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

NOTE F - 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.

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE SCHEDULE FEDERAL AWARDS RECEIPTS AND EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)**

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2016 to 2017 programs:

Program Title	CFDA Number	<u>Amt.</u> Transferred
Title I Grants to Local Educational Agencies	84.010	\$ 3,978,898
Title II-A Improving Teacher Quality	84.367	1,519,795
English Language Acquisition Grant	84.365	70,710
IDEA, Part B Special Education	84.027	2,137,105
IDEA, Early Childhood Special Education	84.173	43,361



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Toledo City School District
Lucas County
1609 North Summit Street
Toledo, Ohio 43604

To the Board of Education:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2016, 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 30, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

Columbus, Ohio

December 30, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Toledo City School District
Lucas County
1609 North Summit Street
Toledo, Ohio 43604

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Toledo City School District, Lucas County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Toledo City School District's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, Toledo City School District, Lucas County, Ohio, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Receipts and Expenditures Required by Uniform Guidance

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 30, 2016. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied

certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Dave Yost
Auditor of State

Columbus, Ohio

December 30, 2016

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster, Special Education Cluster, CFDA # 84.367 - Improving Teacher Quality State Grants, CFDA # 84.010 -Title 1, CFDA # 93.600 - Head Start
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 1,442,509 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
2 CFR 200.511(b)
JUNE 30, 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Significant deficiency because the District did not follow Capital Asset Policy.	Partially Corrected, re-issued as Management letter.	Reoccurrence due to the District not fully utilizing the capital asset software. The District is working towards fully utilizing its fixed asset software.
2015-002	Material weakness due to errors in posting Journal Entries in Accounting System for GASB 68.	Corrective action taken and finding is fully corrected.	
2015-003	Material weakness in payroll disbursements due to not maintaining signed contracts from all employees.	Corrective action taken and finding is fully corrected.	
2015-004	Material federal control weakness due to lack of controls over child nutrition program disbursements for allowable cost.	Corrective action taken and finding is fully corrected.	
2015-005	Material federal control weakness due to lack of controls over child nutrition program income.	Partially corrected, re-issued as Management letter.	Reoccurrence due to the District not properly monitoring this issue during the year. The District is exploring options to correct this.
2015-006	Questioned costs of \$30,729 due to federal payroll disbursements not being supported by 2 CFR, Part 225. All major programs.	Corrective action taken and finding is fully corrected.	
2015-007	Noncompliance/Material Weakness - 2 CFR §200.313 (d) (1) for Title 1 grant not maintaining a complete equipment listing.	Corrective action taken and finding is fully corrected.	
2015-008	Noncompliance/Material Weakness- 34 CFR Section 200.55- Not maintaining forms for Highly Qualified Teachers Criteria.	Partially Corrected, re-issued as Management letter.	Reoccurrence due to the District not properly monitoring this issue during the year. Human resource department is tracing HQTs to prevent this in the future.
2015-009	34CFR Subtitle A §80.32(d) for the District not maintaining a federal equipment listing.	Corrective action taken and finding is fully corrected.	

Lucas County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2016

Lucas County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

Prepared by:
Mr. Ryan Stechschulte, Treasurer

TABLE OF CONTENTS

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

I INTRODUCTORY SECTION

A Letter of Transmittalv
B Members of the Board of Education, Superintendent and Treasurer xv
C Management Team xvi
D School District Organizational Chart xvii
E Treasurer’s Division Organizational Chart xviii
F Certificate of Achievement (GFOA) xix
G Certificate of Excellence (ASBO).....xx

II FINANCIAL SECTION

A Report of Independent Auditor 1
B Management’s Discussion and Analysis.....5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 18
 Statement of Activities20
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet21
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities.....22
 Statement of Revenues, Expenditures and Changes in Fund Balances23
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities24
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund26
 Proprietary Funds:
 Statement of Net Position28
 Statement of Revenues, Expenses and Changes in Fund Net Position.....29
 Statement of Cash Flows30
 Fiduciary Funds:
 Statement of Net Position31
 Statement of Changes in Net Position.... 32
Notes to the Basic Financial Statements.....33

D Required Supplemental Information:

Schedule of the District’s Proportionate Share of the Net
Pension Liability75

Schedule of District Contributions76

E Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds Statements:

Combining Balance Sheet – Nonmajor Governmental Funds84

Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds.....85

Combining Balance Sheet – Nonmajor Special Revenue Funds86

Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Special Revenue Funds.....92

Combining Balance Sheet – Nonmajor Capital Projects Funds97

Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Capital Projects Funds98

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

General Fund.....99

Nonmajor Governmental Funds:

Special Revenue Funds:

Food Service Fund100

Uniform School Supplies Fund101

Vocational Rotary Fund102

Adult Education Fund103

School Building Support Fund104

Other Grants Fund105

School Facilities Maintenance Fund106

Administratively Managed Student Activity Fund.....107

Auxiliary Services Program Fund108

Management Information System Fund109

Public School Preschool Fund.....110

Data Communication Fund111

Special Revenue Funds (Continued):

Vocational Education Enhancement Fund112
Alternative Schools Fund113
Miscellaneous State Fund.....114
Race to the Top Fund115
Special Education Handicapped Fund.....116
Vocational Education Fund117
Title VII Bilingual Education Program Fund.....118
Title I Fund.....119
Drug Free Schools Grants Fund120
Preschool Grants for the Handicapped Fund.....121
Improving Teacher Quality Fund122
Miscellaneous Federal Grants Fund123
Title I School Improvement Stimulus A Fund124
Title I School Improvement Stimulus G Fund125
Head Start Fund.....126

Debt Service Fund127

Capital Projects Funds:

Permanent Improvement Fund128
Locally Funded Initiative Fund.....129
Classroom Facilities Fund130

Permanent Fund:

Endowments Fund.....131

Internal Service Funds:

Combining Statement of Net Position134
Combining Statement of Revenues, Expenses and Changes in Fund
Net Position.....136
Combining Statement of Cash Flows138

Fiduciary Funds – Agency Fund:

Combining Statement of Changes in Assets and Liabilities141

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years..... S 2
Changes in Net Position - Last Ten Years S 4
Fund Balances, Governmental Funds - Last Ten Years S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years S 10
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten
Calendar Years..... S 12
Property Tax Rates of Direct and Overlapping Governments - Last Ten Calendar
Years S 14
Principal Taxpayers - Real Estate Tax - Current Year and Nine Years Ago S 16
Principal Taxpayers - Public Utilities Tangible Personal Property Tax - Current Year
and Ten Years Ago S 17
Property Tax Levies and Collections - Last Ten Years..... S 18
Ratio of Outstanding Debt By Type - Last Ten Years S 20
Ratios of General Bonded Debt Outstanding - Last Ten Years S 22
Computation of Direct and Overlapping Debt Attributable to Governmental
Activities - Current Year..... S 25
Debt Limitations - Last Ten Years S 26
Demographic and Economic Statistics - Last Ten Years S 28
Principal Employers - Current Year and Nine Years Ago S 31
School District Employees by Type - Last Ten Years S 32
Operating Indicators - Cost per Pupil - Last Ten Years S 34
Operating Indicators by Function - Last Ten Years S 36
Operating Indicators - Teacher Base Salaries - Last Ten Years..... S 38
Capital Asset Statistics by Building - Last Ten Years S 40
Capital Asset Statistics by Function - Last Ten Years S 42
Educational and Operating Statistics - Last Ten Years S 44

INTRODUCTORY SECTION



Toledo Public Schools



TOLEDO CITY SCHOOL DISTRICT

Toledo Public Schools Educational Campus • 1609 N. Summit Street
Toledo, Ohio 43604

Treasurer's Office: phone (419) 671-0001

fax (419)-671-0082

December 30, 2016

Board of Education Members and Citizens of the Toledo City School District:

As the Superintendent and Treasurer of the Toledo City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) of the District. This CAFR, for the year ended June 30, 2016, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report will provide the taxpayers of the Toledo City School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs. Copies will be made available to National Municipal Information Repository (NMSIR), State Information Depository (SID), other financial rating services and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Toledo City School District's MD&A can be found immediately following the report of the independent accountants.

Following a long period of enrollment declines as a result of demographic decline and competition from charter school and scholarship tuition programs, the District has seen an increase in student enrollment for FY16, and projects flat enrollment going forward. As of October 2016, the School District had 21,618 students (compared to 21,308 as of October 2015) enrolled in its 44 K-8 schools, 7 senior high schools and 8 education/specialized learning centers (which provide special curriculums and vocational education and skills programs), making it the fourth largest public school system in the State. For the current academic year the average class size is 29 students (for grades 1 through 8), and the average pupil/teacher ratio 12:1. The average building is seven years old.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

The District employs (full- and part-time) 2,120 professional staff members and 1,154 nonteaching and support staff employees. Approximately 56% of the members of the teaching staff have master's degrees, and 1% have doctorates. The District's faculty has an average of 14.8 years' teaching experience. The District also operates a central office facility, a maintenance center, a central kitchen, a warehouse and a transportation depot.

The District is organized into learning communities. Each learning community has its own high school and elementary schools that feed into it. Special facilities and School Assistance Centers also support these learning communities. Three Transformational Leaders work with the schools to provide direction for leadership and school management. In addition, the Curriculum Division works to enhance student learning and to drive school reform efforts. Toledo Public Schools is fortunate to have the support of the Parent Congress, an active parent advisory board that collaborates with the Superintendent on a number of current issues, including: parent involvement across the district and developing greater educational opportunities for students.

The District's high schools are fully accredited by the North Central Association of Colleges and Schools. The District's curriculum offers a wide range of electives and comprehensive courses of study in college preparatory, vocational and physical education programs. A full range of extra-curricular programs and activities is available, beginning in the elementary grades. All District schools have libraries, lunch programs and multipurpose rooms or gymnasiums for student activities.

The Board of Education of the Toledo City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars and approves the annual appropriation resolution.

ECONOMIC CONDITIONS AND OUTLOOK

Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent (35%) of these facilities are within 250 miles. Thirty-six percent (36%) of U.S. and nineteen percent (19%) of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, 33 percent (33%) of the U.S. population resides within 500 miles of Toledo. The Toledo Metropolitan Area offers 25 industrial parks, seven of which are located within the Toledo City School District. Statistics indicate that employment in the Toledo area-manufacturing industries represent only about one-fourth of the available jobs in the area. The majority of work is found in non-manufacturing areas such as service industries, retail trade, and government jobs.

Transportation plays an important role in the Toledo area economy. The Port of Toledo is Ohio's largest and most diversified port and one of the nation's largest shippers of coal and grain. The Port offers a foreign trade zone encompassing 300,000 square feet of covered storage area serviced by ship, rail, and truck. Toledo is one of the nation's largest rail hubs with four major lines serving the area. Intrastate and interstate truck services are provided by more than 100 common carriers, including almost all major truck lines, as well as approximately 30 local cartage companies. Toledo Express Airport offers both general and commercial aviation services.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

Lucas County is the home of the Toledo Mud Hens and operates the 10,300 seat Fifth Third Field Stadium, in the Warehouse District. The Mud Hens, a Triple A baseball team, is in the Detroit Tigers farm system.

Lucas County's Huntington Center is a multi-purpose arena in downtown Toledo. The arena is located one block from Fifth Third Field and has a seating capacity of 8,000.

Lucas County partnered with the Toledo Arena Sports, Inc. (TASI), a subsidiary of the Toledo Mud Hens organization, to secure a sports tenant for the new multi-purpose arena. The ECHL hockey tenant is the Toledo Walleye, a feeder team to the Detroit Red Wings and Chicago Black Hawks.

The area has diverse recreational, cultural, and educational resources. The City of Toledo has over 100 parks ranging from small neighborhood playgrounds to large centralized parks with full recreational facilities including picnic areas, ball diamonds, tennis courts, and swimming pools. The Maumee River and Lake Erie offer many water sport activities such as boating, sailing, water skiing, and fishing. The Area Metropark System has over 6,000 acres in nine locations. Local professional sports include the Toledo Mudhens Baseball Team, the Toledo Walleye Hockey Team, and the Annual LPGA Golf Tournament. There are over 20 public and private golf courses in the area. The Toledo Zoo ranks among the best in the country. Toledo also boasts the world-renowned Toledo Museum of Art, which houses over 700 paintings, 5,000 pieces of glass, and a nationally respected symphony. The Museum also has a glass exhibit, storage, and research center. Continuing and Advanced Education is available at the University of Toledo, University of Toledo Community and Technical College, UT Health Sciences Campus, Bowling Green State University, Owens Community College, and Lourdes University.

SIGNIFICANT ACCOMPLISHMENTS FOR THE YEAR

Toledo Public Schools saw tremendous change and growth in the 2015-2016 school year.

Using money generated from a 5.8 mil operating levy that was passed in November, 2014, the district was able to improve attendance and safety by reinstating bus services for more than half of its 22,000 students. Money from that levy also allows TPS administrators to continue recruiting and keeping the best teachers, administrators and staff members, along with upgrading technology and computers and maintaining its facilities.

A \$1.8 million commitment from local health care provider ProMedica (along with funds from TPS) means that there is now a full-time nurse in every school. These health care professionals have been instrumental in identifying health risks and referring students and their families to community resources. The district continued to build upon its partnership with the Area Office on Aging by collaboratively working on initiatives specifically for area senior citizens, including the annual Senior Prom that draws more than 200 guests, Hall Walks (an indoor exercise option at TPS high schools during inclement weather) and the Senior Reading Buddy program with preschool students.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

District administrators are committed to making all students college and career ready, so there was a great emphasis during the 2015-2016 school year on expanding opportunities for grade school students to earn high school credit, as well as a push to get high school students earning college credit while still at TPS. A pilot program started in January of 2015 with 24 students taking online classes at the University of Toledo was made possible through a partnership with Buckeye Broadband that calls for TPS to provide free laptops and Buckeye to provide free, in-home Internet access to those students who needed one or both. More than 300 students took advantage of this educational opportunity in the 2015-16 school year. In April, 2016, BP and the University of Toledo joined forces for the Rocket Engineering Prep Program, a \$1.28 million commitment to fund full tuition and pay all fees for 16 Toledo Public Schools students to receive engineering degrees from the university. These initiatives show that Toledo Public Schools continues to build strong relationships with community partners who want to see our students succeed. The 2015-2016 school year was also the time for the TPS team to continue to implement two major federal grants: an \$8.1 million grant to run a large portion of the Head Start program in Lucas County and a \$3.8 million grant, part of a national program called Youth Career Connect, that focuses on making students career ready through rigorous academic and career-focused curriculum.

This particular grant is so important because TPS is investing in the future of Toledo by implementing Career Tech programs aimed at helping students prepare for today's high-tech jobs. Finally, the 2015-2016 school year also saw the addition of the 10th grade to Jones Leadership Academy, a school that was started in 2014-2015 with 7th through 9th grades. The 11th grade was added for the 2016-2017 school year and the school will eventually go through 12th grade. This unique school has girls and boys being taught in separate wings of the school. It models the learning environment of the district's two single-gender academies. The students are then brought together for coordinated events and programs.

The district also showed improvement in several areas on the State Report Card, which is issued on an annual basis from the Ohio Department of Education. While the standardized tests students must take continue to change and school districts are forced to adapt, Toledo Public Schools did show growth in several areas.

Following a standard grading system of A – F, TPS earned an A in Value Added, which shows students gained nearly two years of growth in one year's time. TPS received a B grade in educating the lowest 20 percent of all students (these are students in the lowest socioeconomic category). The district also received a B in Special Education (students with disabilities).

DEPARTMENT FOCUS

The Treasurer's Division has continued to show leadership and growth by striving for excellence in developing and implementing sound fiscal management, accounting and reporting standards.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

The Ohio Enterprise Zone Act authorizes the City of Toledo (City) and Lucas County (County) to designate areas as Enterprise Zones (EZ's), Community Reinvestment Areas (CRA's) and Tax Incremental Financings (TIF's) and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for specified local tax incentives. Under the abatement and tax increment financing programs, the City and the County exempt the incremental increase in the value of certain property from ad valorem property taxes in whole or in part for varying periods of time. In 1995, the School District and the City entered into an agreement pursuant to which the School District is to receive contributions in lieu of taxes from taxpayers granted tax abatements. The Treasurer or his designee is responsible to attend Industrial Development Committee (IDC) meetings held by the City and County to review and approve new tax abatements with local businesses. After approval for abatement, the Treasurer or his designee is also responsible for accounting for all revenue received from the approved company in the form of Contributions in Lieu of Taxes and to report those results to the City of Toledo's or Lucas County's Tax Incentive Review Committee (TIRC) as requested. The TIRC(s) review all tax abatements every calendar year and make recommendations to the City of Toledo's City Council and/or Lucas County Commissioners on the continuation of those incentives. Before March 31 of each year, the TIRC submits a comprehensive annual report to the State of Ohio in accordance with the Ohio Revised Code. The Treasurer or his designee is responsible for forecasting all anticipated revenue from the revenue sharing agreements for inclusion in the District's five year forecast submitted to the Ohio Department of Education in May and October of each year. The Treasurer, Superintendent and Board President are authorized to enter in School District Payment Agreements outlining the terms of the abatement and the revenue to be received by the District. A separate standardized agreement is executed for each company requesting tax abatement and formalized with a School District Payment Agreement signed by a representative of the abated company, the Treasurer, Superintendent and Board President. The school district payment agreement can be found on the Districts' website through the Board Docs Library. Revenue Sharing Agreements beyond the scope of the standardized agreement must be approved by individual resolution by the Board of Education. All School District Payment Agreements are negotiated to hold the District fiscally harmless had the abatement been granted under applicable laws without the permission of the District.

Currently, there are 26 active abatements with respect to approximately \$81,965,350 of real property in the School District. Two of the abatements, for \$73,348,660 in value, were made pursuant to an agreement requiring the taxpayer to make payments in lieu of taxes to the City in connection with a tax increment financing. The last of those abatements will expire in 2036. The remaining 24 active abatements, aggregating approximately \$8,616,690 for real property, were generally made pursuant to agreements that require the taxpayer to make contributions in lieu of tax payments to the School District. The last of those abatements is to expire in 2029.

TOLEDO CITY SCHOOL DISTRICT

**Letter of Transmittal
For the Fiscal Year Ended June 30, 2016**

The following table shows the amounts of those contributions received by the School District in recent Fiscal Years:

Fiscal Year	Payments
2011	\$385,105
2012	560,140
2013	472,271
2014	470,182
2015	504,636
2016	510,214
2017(a)	503,550

(a) Estimated.

Since the inception of the revenue sharing program, the District has received \$15,588,987 in contributions in lieu of tax payments.

These Agreements promote the economic welfare of our community by creating new jobs, while retaining and preserving existing jobs and employment opportunities, as facilities are established, expanded, renovated or occupied within designated abatement Zones. It is hoped that the success of these Revenue Sharing Agreements will set the stage for future cooperation between government entities.

As of June 30, 2016, the Toledo City School District has underlying debt ratings of A- from Fitch Ratings, A2 from Moody's Investment Service and A+ from Standard and Poor's. Financial information was provided to all external-rating agencies resulting in the District maintaining the above-mentioned ratings. Financial information was also furnished to the Ohio Municipal Advisory Council (OMAC), which has applied for and received the designation of being the State Information Depository (SID) for the State of Ohio. The establishment of SID provides the State with more uniform central distribution of financial information to debt holders and potential bidders of debt for the Toledo City School District.

The District provides annual Continuing Disclosure filings with the appropriate National Municipal Information Repository (NMIR) and SID to keep bondholders of the Ohio School Facilities bond issue abreast of the current financial status of the District.

The Treasurer's Division implemented requirements of the Ohio Legislature as they relate to the mandatory preparation of a Five-Year Revenue and Expenditure Forecast, the multi-year Certification of Estimated Revenues, and the proper identification and appropriation of DPIA Funds. One provision of House Bill 412 requires the Board of Education to submit a Five-Year Financial Forecast to the Ohio Department of Education. The Five-Year Financial Forecast is presented to the Board of Education for adoption each October and May.

An additional provision of the Legislature requires the President of the Board of Education, the Superintendent and the Treasurer to certify that adequate revenue will be available to maintain all personnel, programs, and services essential to the operation of an adequate educational program for the length of each contract up to five years. This certification is attached to all contracts, leases, and other business transactions as required by law. Procedures are in place to ensure compliance.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

During the past year, the Treasurer's Division has focused on improving the financial position of the District. The Division has actively studied all possible alternatives to property tax financing, searched for additional revenue sources, and implemented cost saving measures. The Treasurer's Division staff will continue to maintain a high level of service and support, and identify ways to improve communications with their customers. They will continue to improve internal controls, management practices, technology utilization and enhancements, operational efficiencies, and financial processes in order to assure the fiscal integrity of District assets and improve audit results. They will continue to focus on the Board's primary objective of improving educational opportunities for the children in our community.

Other Treasurer goals and objectives that continue to be formulated and put into place include:

- Improve fiscal integrity and accountability of the District by establishing business community "forums"/meetings, developing a "popular annual financial report and budget report as a means to establish board friendly financial reports;
- Improve customer service for all customers – internal and external- from all Treasurer's division Departments;
- Improved communications from, to and between Treasurer's office departments;
- Contribute to District improvement efforts in Leadership Development;
- Contribute to District improvements in effectiveness and efficiency in service delivery;
- Provide and facilitate improved communications, to, from and amongst the Board of Education;
- Develop an "Ethically Conscious" work environment for staff and volunteers;
- Implement policy and operational recommendations pursuant to the investment review by PFM Asset Management, LLC.
- Improve internal and fiscal controls by conducting a thorough review of purchasing and payment policies and procedures with State Auditor's Office;
- Continually utilize technology to generate cost savings, and
- Participate in legislative and community efforts for school funding and other financial impacts to the District.
- Implementation of HR and Payroll functions of Sungard enterprise software.

ACCOUNTING INFORMATION

ACCOUNTING SYSTEM -- The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. The District has no component units to account for.

INTERNAL CONTROLS -- The Treasurer of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

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 cost and benefit requires estimates and judgments by management.

SINGLE AUDIT -- As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation and audit by the Treasurer, Management Team and staff of the District.

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS -- All governmental fund types are subject to annual expenditure budgets. The legal level of budgetary control is at the fund level. The procedures below outline the District's budgetary procedures:

A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January Organizational Meeting.

The county budget commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.

An annual appropriations measure is passed upon receipt of the county auditor's final tax revenue estimates, in October or November of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopts temporary appropriations at its June Board meeting to cover expenditures until the adoption of the permanent appropriations. The appropriations measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments are given building budgeting funds for instructional supplies, custodial supplies, meeting and mileage expenses, and equipment. Buildings and/or departments may move funds within their budgets with approval of the Superintendent and Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2016

OTHER INFORMATION

Community Schools: There are thirty community schools operating independently within the District's boundaries. Their funding is deducted from the State support the District receives, and transferred to the community schools directly. The amount deducted is per pupil who resides in the District and chooses to attend a community school.

Independent Audit: State statutes require an annual audit by independent accountants. The Ohio State Auditor's Office conducted the audit for the Fiscal Year ended June 30, 2016. The Auditor's Audit Opinion is on the Basic Financial Statements. The introductory section and statistical tables are not a required part of the opinion and no opinion is rendered on those sections.

Awards: The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Toledo City School District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that conforms to program standards. A CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement award is valid for a period of one year. The Toledo City School District has received a Certificate of Achievement for the past twenty-six years (1989-2015). We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA for consideration.

The Toledo City School District also received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2015. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of Certified Public Accountants and practicing school business officials, grants the award, only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. This is the seventeenth year the District has received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

In addition to awards for financial reporting, the District's Investment Policy was awarded the Certificate of Excellence Association of Public Treasurers of the United States and Canada.

TOLEDO CITY SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2016***

Acknowledgment: Preparation of this report would not have been possible without the joint cooperation of all Divisions in the District. We would like to specifically acknowledge the following individuals within the Treasurer's Division and the Business Division: W. Paul Overman, Jr., Director of Treasury Management, and James Gant, Chief Business Manager. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report. Special recognition is extended to Richard Reucher, Director of General Accounting, and Patty Mazur, Director of Communications, for their efforts in preparing this report.

Finally, we would like to express our appreciation to the Board Members for their fiscal integrity and continued support.

Sincerely,



Romules Durant, Ed. D
Superintendent and CEO



Ryan Stechschulte
Treasurer of the Board

TOLEDO CITY SCHOOL DISTRICT

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2016

Members of the Board of Education

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Toledo City School District are:

	Began Service as a Board Member	Present Term Expires
Bob Vasquez, President	Appointed 2008	12/31/2017
Chris Varwig, Vice-President	01/01/2014	12/31/2017
Stephanie Eichenberg, Member	01/01/2016	12/31/2019
Polly Taylor-Gerken, Member	01/01/2014	12/31/2017
Perry Lefevre, Member	01/01/2016	12/31/2019

Superintendent

The Superintendent serves as the Chief Executive Officer of the School District and serves as one of the chief advisors to the Board of Education. He is responsible for providing leadership in all aspects of the educational programs and initiatives that are instituted by the district. The Superintendent is also responsible for administering policies which are formulated and adopted by the Board of Education. Dr. Romulus Durant became the 30th Superintendent for Toledo Public Schools on August 1, 2013. A native of Toledo, Dr. Durant has big plans to take the school district to the next level of success. A proud graduate of Waite High School, one of the District's traditional high schools, Dr. Durant began working for Toledo Public Schools in 1999 as a classroom teacher. From there, he became an assistant principal, a principal and then assistant superintendent.

Treasurer

The Treasurer serves as the Chief Fiscal Officer of the District and Secretary to the Board of Education. The Treasurer receives, accounts for, and disburses all District funds as required by applicable laws in accordance with Board policies and regulations. Ryan Stechschulte was named District Treasurer effective on July 1, 2015 with his contract expiring June 30, 2020.

TOLEDO CITY SCHOOL DISTRICT

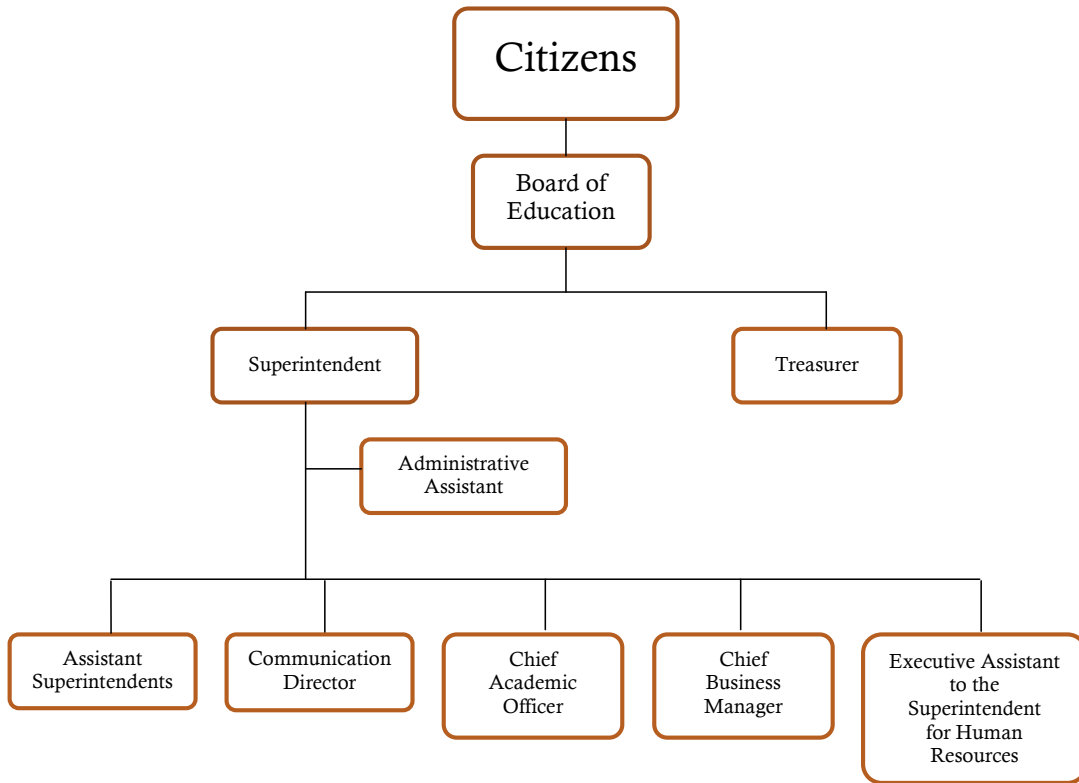
***School District Organizational Chart
For the Fiscal Year Ended June, 30, 2016***

Management Team Members

Dr. Romulus Durant	Superintendent
Ryan Stechschulte	Treasurer of the Board
James E. Gault	Transformational Leader
Angela Nowalk	Acting Chief Human Resources Officer
Angela Jordan	Executive Assistant to the Superintendent
James Gant	Chief Business Manager

TOLEDO CITY SCHOOL DISTRICT

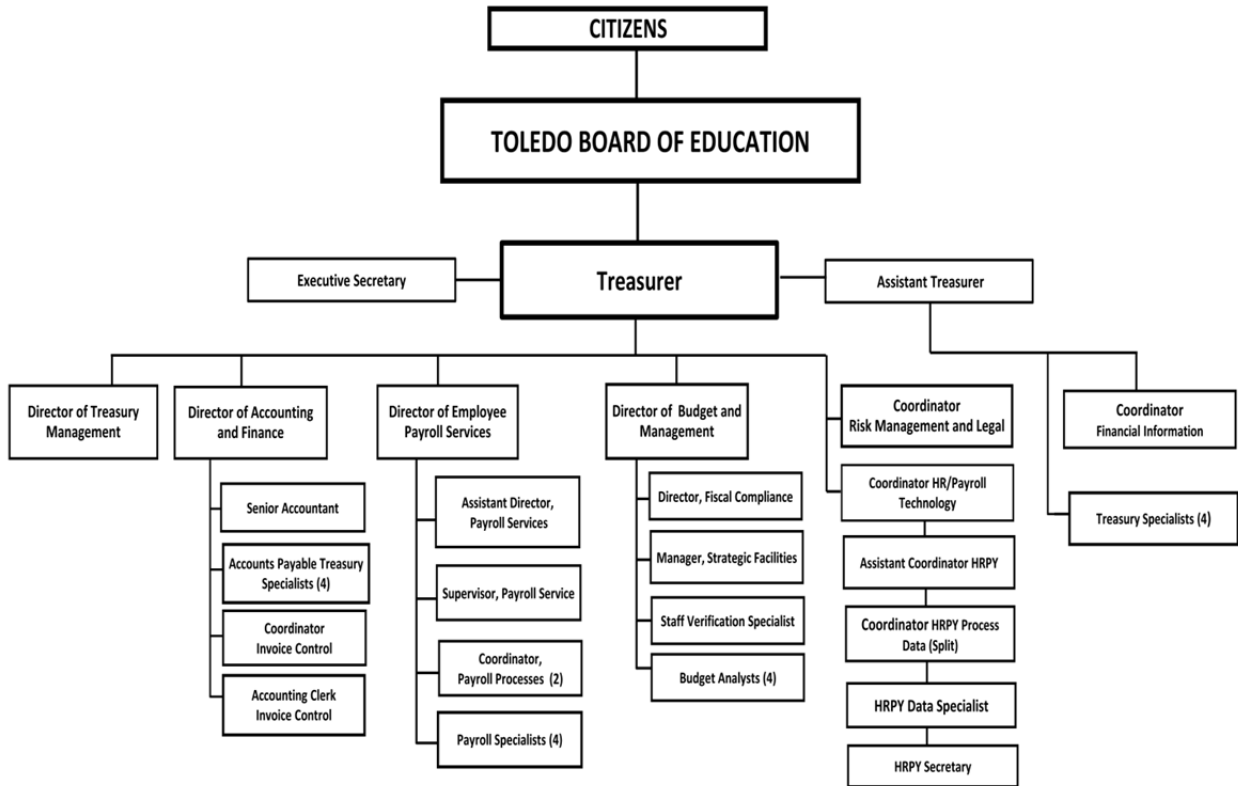
**School District Organizational Chart
For the Fiscal Year Ended June, 30, 2016**



TOLEDO CITY SCHOOL DISTRICT

**Treasurer's Division Organizational Chart
For the Fiscal Year Ended June, 30, 2016**

TREASURER'S DIVISION ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Toledo City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO



**The Certificate of Excellence in Financial Reporting Award
is presented to**

Toledo City Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Handwritten signature of Brenda R. Burkett in blue ink.

Brenda R. Burkett, CPA, CSBA, SFO
President

Handwritten signature of John D. Musso in blue ink.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



Toledo Public Schools



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Toledo City School District
Lucas County
1609 North Summit Street
Toledo, Ohio 43604

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2016, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and

compliance, and the results of that testing, and does not opine 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 consideration of the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 30, 2016



TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016***

Unaudited

The discussion and analysis of the Toledo City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

- ❑ General revenues accounted for \$371,682,154 in revenue or 85.2% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$64,467,323 or 14.8% of total revenues of \$436,149,477. The State Foundation portion of general revenues increased approximately \$12 million from FY15 to FY16. However, the District continues to see a reduction in State of Ohio financial assistance as a result of the phase out of personal property reimbursement, and enrollment decline resulting in less State funding. The net effect is FY16 State Revenue is still below the level provided in FY09.
- ❑ The District had \$425,900,861 in expenses related to governmental activities; only \$64,467,323 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$109,605,057 and unrestricted state and federal revenues totaling \$262,077,097, plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2016 by \$138,871,818 (net position). The District's total net position increased by \$10,248,616 in fiscal year 2016.
- ❑ As the only major fund, the general fund had \$365,164,560 in revenues, \$351,346,645 in expenditures, \$163,697 in transfers in and (\$315,461) in transfers out, resulting in the general fund balance increasing by \$13,666,151 to \$53,441,552. This increase is attributable to operational efficiencies and cost saving measures resulting from implementation of performance audit recommendations as well as an increase in State revenue over FY15.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

TOLEDO CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2016

Unaudited

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements.

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

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, and student enrollment growth and facility conditions.

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

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

Fund Financial Statements

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

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

TOLEDO CITY SCHOOL DISTRICT**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016****Unaudited**

educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

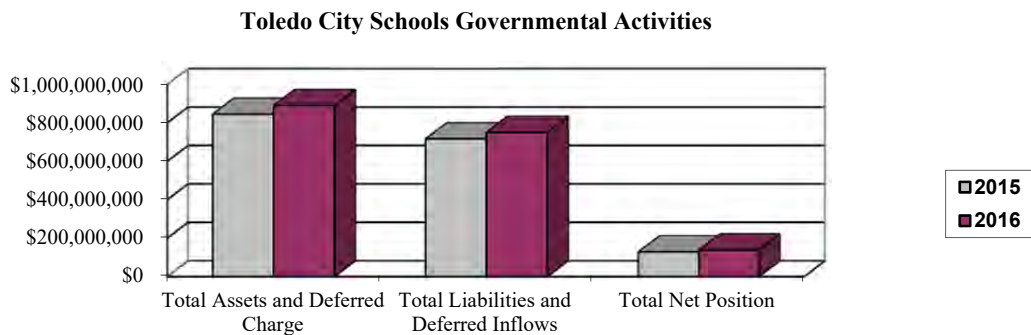
The following table provides a summary of the District's net position for 2016 compared to 2015:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Current and other assets	\$290,343,135	\$271,091,466	\$19,251,669
Capital assets, Net	537,106,078	545,514,953	(8,408,875)
Total assets	827,449,213	816,606,419	10,842,794
Deferred Loss on Debt Refunding	7,119,996	5,314,456	1,805,540
Pension	55,464,531	23,496,497	31,968,034
Total Deferred Outflows of Resources	62,584,527	28,810,953	33,773,574
Net Pension Liability	396,937,061	331,482,520	65,454,541
Other Long-Term Liabilities	163,381,784	167,311,658	(3,929,874)
Other Liabilities	62,074,396	64,160,279	(2,085,883)
Total liabilities	622,393,241	562,954,457	59,438,784
Property Tax Levy for Next Fiscal Year	103,365,773	93,998,192	9,367,581
Pension	25,402,908	59,841,521	(34,438,613)
Total Deferred Inflows of Resources	128,768,681	153,839,713	(25,071,032)
Net position:			
Net Investment in Capital Assets	394,848,405	397,688,562	(2,840,157)
Restricted	47,727,650	50,932,128	(3,204,478)
Unrestricted (Deficit)	(303,704,237)	(319,997,488)	16,293,251
Total Net Position	\$138,871,818	\$128,623,202	\$10,248,616

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016**

Unaudited



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

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

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

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

TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016***

Unaudited

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

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

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

At fiscal year-end for governmental activities, capital assets represented 65% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2016 was \$394,848,405. 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, \$47,727,650, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the District has approximately \$13 million in unrestricted net position which may be used to meet the District’s ongoing obligations to the students and creditors.

TOLEDO CITY SCHOOL DISTRICT**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016****Unaudited**

Changes in Net Position – The following table shows the net position for the fiscal year 2016 compared to 2015:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Revenues			
Program revenues:			
Charges for Services	\$10,344,061	\$10,742,242	(\$398,181)
Operating Grants	53,962,546	64,885,961	(10,923,415)
Capital Grants	160,716	80,091	80,625
General revenues:			
Property Taxes	109,605,057	106,595,590	3,009,467
Grants and Entitlements	260,941,893	234,601,655	26,340,238
Other	1,135,204	1,276,894	(141,690)
Total revenues	<u>436,149,477</u>	<u>418,182,433</u>	<u>17,967,044</u>
Program Expenses			
Instruction	266,665,914	246,372,454	20,293,460
Support Services	120,830,538	114,915,707	5,914,831
Non-Instructional Services	29,007,085	18,785,625	10,221,460
Extracurricular Activities	3,175,089	3,249,709	(74,620)
Interest and Fiscal Charges	6,222,235	6,003,602	218,633
Total expenses	<u>425,900,861</u>	<u>389,327,097</u>	<u>36,573,764</u>
Total Change in Net Position	10,248,616	28,855,336	(18,606,720)
Beginning Net Position	<u>128,623,202</u>	<u>99,767,866</u>	<u>28,855,336</u>
Ending Net Position	<u>\$138,871,818</u>	<u>\$128,623,202</u>	<u>\$10,248,616</u>

TOLEDO CITY SCHOOL DISTRICT

**Management’s Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016**

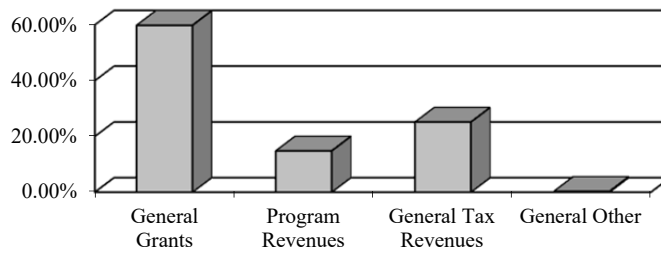
Unaudited

Governmental Activities

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

Property taxes made up approximately 25.13% of revenues for governmental activities for the Toledo City School District in fiscal year 2016. The District’s reliance upon tax revenues is demonstrated by the following graph indicating 25.13% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
General Grants	\$260,941,893	59.83%
Program Revenues	64,467,323	14.78%
General Tax Revenues	109,605,057	25.13%
General Other	1,135,204	0.26%
Total Revenue	<u>\$436,149,477</u>	<u>100.00%</u>



TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016*

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$85,141,425, which is an increase from last year's total of \$71,208,796. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2016 and 2015.

	<u>Fund Balance June 30, 2016</u>	<u>Fund Balance June 30, 2015</u>	<u>Increase</u>
General	\$53,441,552	\$39,775,401	\$13,666,151
Other Governmental	<u>31,699,873</u>	<u>31,433,395</u>	<u>266,478</u>
Total	<u><u>\$85,141,425</u></u>	<u><u>\$71,208,796</u></u>	<u><u>\$13,932,629</u></u>

The General Fund State Foundation payments increased due to an increase in student enrollment. The General Fund also decreased in state revenue due to the elimination of personal property tax reimbursement; however, the District offset this reduction through operational efficiencies and cost saving measures resulting from implementation of performance audit recommendations as well as an increase in State Foundation revenue over FY15. Current expenditures and transfers were less than total revenues resulting in the increase of the General Fund balance. The Debt Service Fund balance moderate decrease is a reflection of adjusting tax rates to reflect less debt service payments owed by the District as well as a debt refinancing done in November of 2015. The decrease in the Locally Funded Initiative Fund was due to capital outlay expenditures exceeding revenues during the year. The Classroom Facilities Capital Building Fund balance remained relatively consistent from FY15 as a result of the building project coming to a conclusion.

TOLEDO CITY SCHOOL DISTRICT**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016****Unaudited**

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

	2016 <u>Revenues</u>	2015 <u>Revenues</u>	Increase <u>(Decrease)</u>
Taxes	\$97,367,954	\$91,451,255	\$5,916,699
Tuition	2,098,694	2,272,951	(174,257)
Transportation Fees	572,147	585,879	(13,732)
Investment Earnings	267,098	255,163	11,935
Extracurricular Activities	239,846	258,092	(18,246)
Class Materials and Fees	57,104	68,608	(11,504)
Intergovernmental - State	249,953,333	236,205,765	13,747,568
Intergovernmental - Federal	10,094,960	751,587	9,343,373
All Other Revenue	4,513,424	5,765,116	(1,251,692)
Total	<u>\$365,164,560</u>	<u>\$337,614,416</u>	<u>\$27,550,144</u>

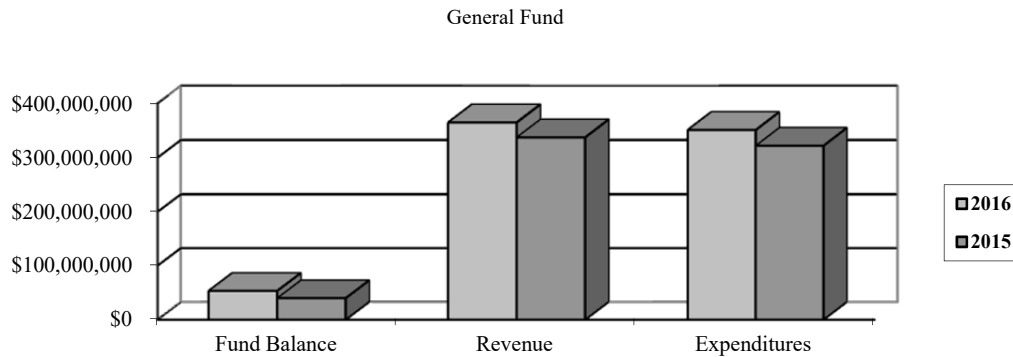
During fiscal year 2016 total General Fund revenues increased by approximately 8.2%. The material make up of this increase is from increased taxes revenue as a result of the new levy passed at the end of FY14 and an increase in State grants during 2016.

	2016 <u>Expenditures</u>	2015 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Instruction	\$232,148,417	\$217,997,123	\$14,151,294
Supporting Services	105,916,449	94,958,490	10,957,959
Non-Instructional Services	5,524,433	6,329,755	(805,322)
Extracurricular Activities	2,679,071	2,702,204	(23,133)
Capital Outlay	5,078,275	132,504	4,945,771
Total	<u>\$351,346,645</u>	<u>\$322,120,076</u>	<u>\$29,226,569</u>

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016**

Unaudited



During fiscal year 2016 total General Fund expenditures increased by about 9.1%. The material make up of this increase is a result of increased salaries and benefits expenditures.

The District's budget is prepared according to Ohio law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The legal level of control established by the Board of Education is at the fund level.

During the course of fiscal year 2016, the District amended its General Fund budget as new sources of revenue were received. A final Supplementing/Amending Appropriation Measure was approved prior to the close of the fiscal year.

The following schedule provides a comparison of the original budget estimates compared to the final budget, including other financing sources and uses, estimates for the General Fund:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Percent of Change</u>
General Fund			
Revenue	\$367,753,233	\$367,756,233	0.00%
Expenditures	378,165,338	364,147,290	-3.71%

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2016 the District had \$537,106,078 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$13,897,335	\$13,897,335	\$0
Land Improvements	8,533,154	8,533,154	0
Buildings	615,647,031	620,085,486	(4,438,455)
Building Improvements	26,694,930	21,536,494	5,158,436
Machinery and Equipment	16,966,539	12,592,717	4,373,822
Vehicles	12,859,058	12,404,534	454,524
Less: Accumulated Depreciation	(157,491,969)	(143,534,767)	(13,957,202)
Totals	\$537,106,078	\$545,514,953	(\$8,408,875)

For financial reporting purposes the District capitalizes all assets in excess of \$5,000. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 9).

Debt - At June 30, 2016, the District had \$134,029,995 in General Obligation Bonds outstanding, \$5,425,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$134,029,995	\$139,284,995
Premium on G.O. Bonds	15,347,674	13,855,852
Net Pension Liability	396,937,061	331,482,520
Compensated Absences	14,004,115	14,170,811
Totals	\$560,318,845	\$498,794,178

Under current state statutes, the District's debt issue is subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2016, the District's outstanding debt was below the legal limit. Detailed information regarding debt is included in the notes to the basic financial statements (Note 12).

TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2016*

Unaudited

ECONOMIC FACTORS

School Districts are required by Ohio law to prepare, and submit to the State Department of Education each year, a five-year financial forecast. The District submitted its last such annual forecast to the Department in October 2016.

FY16 had an additional one percent increase in salaries for employees in January. The current collective bargaining agreements extend through FY16.

As of the October 2016 five-year forecast, the district projects a decreased balance through Fiscal Year 2017.

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 please contact Ryan Stechschulte, Treasurer, at Toledo City School District, 1609 N. Summit Street, Toledo, Ohio 43604.



TOLEDO CITY SCHOOL DISTRICT

Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 133,699,488
Cash with Fiscal Agent	115,554
Receivables:	
Taxes	130,849,820
Accounts	2,436,170
Intergovernmental	22,298,090
Interest	515,863
Inventory Held for Resale	428,150
Capital Assets Not Being Depreciated	13,897,335
Capital Assets Being Depreciated, Net	<u>523,208,743</u>
Total Assets	<u>827,449,213</u>
Deferred Outflows of Resources:	
Deferred Loss on Debt Refunding	7,119,996
Pension	<u>55,464,531</u>
Total Deferred Outflows of Resources	<u>62,584,527</u>
Liabilities:	
Accounts Payable	25,008,865
Accrued Wages and Benefits	30,628,993
Intergovernmental Payable	5,718,781
Retainage Payable	115,554
Accrued Interest Payable	602,203
Long Term Liabilities:	
Due Within One Year	7,481,030
Due in More Than One Year:	
Net Pension Liability	396,937,061
Other Amounts Due in More Than One Year	<u>155,900,754</u>
Total Liabilities	<u>622,393,241</u>
Deferred Inflows of Resources:	
Property Tax for Next Fiscal Year	103,365,773
Pension	<u>25,402,908</u>
Total Deferred Inflows of Resources	<u>128,768,681</u>

TOLEDO CITY SCHOOL DISTRICT

	Governmental Activities
Net Position:	
Net Investment in Capital Assets	394,848,405
Restricted For:	
Capital Projects	8,332,462
Debt Service	5,288,828
Permanent Fund:	
Expendable	236,247
Nonexpendable	503,291
School Facilities Maintenance	13,207,075
Auxiliary Services	1,078,734
Head Start	3,680,040
Student Activities	305,259
Special Education - Handicapped	2,527,808
Title I School Improvement	1,493,348
Title I	5,297,723
Improving Teacher Quality	1,580,994
Miscellaneous Federal Grants	2,754,698
Other Purposes	1,441,143
Unrestricted (Deficit)	<u>(303,704,237)</u>
Total Net Position	<u>\$ 138,871,818</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2016**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Instruction	\$ 266,665,914	\$ 2,336,190	\$ 20,135,050	\$ 23,530	\$ (244,171,144)
Support Services	120,830,538	5,810,515	18,025,937	137,186	(96,856,900)
Non-Instructional Services	29,007,085	0	14,891,913	0	(14,115,172)
Extracurricular Activities	3,175,089	2,197,356	909,646	0	(68,087)
Interest and Fiscal Charges	6,222,235	0	0	0	(6,222,235)
Totals	<u>\$ 425,900,861</u>	<u>\$ 10,344,061</u>	<u>\$ 53,962,546</u>	<u>\$ 160,716</u>	<u>(361,433,538)</u>
General Revenues					
Property Taxes Levied for:					
					95,497,720
					General Purposes
					Special Purposes
					984,168
					Debt Service
					10,040,115
					Capital Outlay
					3,083,054
					Grants and Entitlements not Restricted to Specific Programs
					260,941,893
					Investment Earnings
					401,210
					Miscellaneous
					733,994
					<u>Total General Revenues</u>
					<u>371,682,154</u>
					Change in Net Position
					10,248,616
					Net Position Beginning of Year
					<u>128,623,202</u>
					Net Position End of Year
					<u>\$ 138,871,818</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2016**

	General	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 60,963,036	\$ 56,915,107	\$ 117,878,143
Cash with Fiscal Agent	0	115,554	115,554
Receivables:			
Taxes	115,785,785	15,064,035	130,849,820
Accounts	2,249,531	42,052	2,291,583
Intergovernmental	445,259	21,848,383	22,293,642
Interest	299,064	165,627	464,691
Interfund Loan Receivable	9,138,884	0	9,138,884
Inventory Held for Resale	93,390	334,760	428,150
Total Assets	\$ 188,974,949	\$ 94,485,518	\$ 283,460,467
Liabilities:			
Accounts Payable	\$ 2,411,414	\$ 20,186,104	\$ 22,597,518
Accrued Wages and Benefits	21,270,240	3,885,953	25,156,193
Intergovernmental Payable	4,610,406	842,627	5,453,033
Retainage Payable	0	115,554	115,554
Interfund Loans Payable	0	9,138,656	9,138,656
Total Liabilities	28,292,060	34,168,894	62,460,954
Deferred Inflows of Resources:			
Unavailable Amounts	15,338,420	17,153,896	32,492,316
Property Tax for Next Fiscal Year	91,902,917	11,462,855	103,365,772
Total Deferred Inflows of Resources	107,241,337	28,616,751	135,858,088
Fund Balances:			
Nonspendable	93,390	838,051	931,441
Restricted	0	33,361,828	33,361,828
Committed	6,621,906	0	6,621,906
Assigned	5,266,196	0	5,266,196
Unassigned	41,460,060	(2,500,006)	38,960,054
Total Fund Balances	53,441,552	31,699,873	85,141,425
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 188,974,949	\$ 94,485,518	\$ 283,460,467

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016***

Total Governmental Fund Balances		\$ 85,141,425
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		537,106,078
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.		
Property Taxes	17,680,595	
Intergovernmental	<u>14,811,720</u>	32,492,315
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	55,464,531	
Deferred Inflows - Pension	(25,402,908)	
Net Pension Liability	<u>(396,937,061)</u>	(366,875,438)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due.		(602,203)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		7,871,429
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(149,377,669)	
Deferred Loss on Debt Issuance	7,119,996	
Compensated Absences Payable	<u>(14,004,115)</u>	<u>(156,261,788)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 138,871,818</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016**

	General	Total Nonmajor Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 97,367,954	\$ 14,107,337	\$ 111,475,291
Tuition	2,098,694	235,084	2,333,778
Transportation Fees	572,147	0	572,147
Food Services	0	600,033	600,033
Investment Earnings	267,098	128,244	395,342
Extracurricular Activities	239,846	382,061	621,907
Class Materials and Fees	57,104	2,412	59,516
Intergovernmental - State	249,953,333	7,872,423	257,825,756
Intergovernmental - Federal	10,094,960	50,224,393	60,319,353
All Other Revenue	4,513,424	2,369,470	6,882,894
Total Revenue	365,164,560	75,921,457	441,086,017
Expenditures:			
Current:			
Instruction	232,148,417	17,154,284	249,302,701
Supporting Services	105,916,449	17,766,971	123,683,420
Non-Instructional Services	5,524,433	23,769,654	29,294,087
Extracurricular Activities	2,679,071	492,620	3,171,691
Capital Outlay	5,078,275	4,888,554	9,966,829
Debt Service:			
Principal Retirement	0	5,180,000	5,180,000
Interest and Fiscal Charges	0	6,832,291	6,832,291
Total Expenditures	351,346,645	76,084,374	427,431,019
Excess (Deficiency) of Revenues Over Expenditures	13,817,915	(162,917)	13,654,998
Other Financing Sources (Uses):			
Payments to Refunding Bonds Escrow Agent	0	(24,553,999)	(24,553,999)
Refunding Bonds Issued	0	21,920,000	21,920,000
Premiums on Refunding Bonds Issued	0	2,911,630	2,911,630
Transfers In	163,697	363,059	526,756
Transfers Out	(315,461)	(211,295)	(526,756)
Total Other Financing Sources (Uses)	(151,764)	429,395	277,631
Net Change in Fund Balance	13,666,151	266,478	13,932,629
Fund Balances at Beginning of Year	39,775,401	31,433,395	71,208,796
Fund Balances End of Year	\$ 53,441,552	\$ 31,699,873	\$ 85,141,425

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2016***

Net Change in Fund Balances - Total Governmental Funds \$ 13,932,629

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	6,218,599	
Depreciation	<u>(14,624,324)</u>	(8,405,725)

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

(3,150)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(1,870,234)	
Intergovernmental	<u>(3,079,954)</u>	(4,950,188)

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

22,872,630

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

(21,920,524)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

G.O. Bond Principal Payment	27,175,000	
Refunding Bonds Issued	(21,920,000)	
Premium on Refunding Bonds Issued	(2,911,630)	
Deferred Loss on New Bonds Issued	2,303,459	
Amortization of Deferred Loss on G.O. Bonds	(497,919)	
Amortization of Premium on G.O. Bonds	<u>1,419,808</u>	5,568,718

(Continued)

TOLEDO CITY SCHOOL DISTRICT

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net position.

Accrued Interest Payable (56,293)

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in Compensated Absences Payable 166,696

The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.

3,043,823

Change in Net Position of Governmental Activities

\$ 10,248,616

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Revenue from Local Sources	\$ 101,384,281	\$ 101,384,281	\$ 101,389,027	\$ 4,746
Revenue from State Sources	249,953,333	249,953,333	249,953,333	0
Revenue from Federal Sources	10,094,960	10,094,960	10,094,960	0
Total Revenues	<u>361,432,574</u>	<u>361,432,574</u>	<u>361,437,320</u>	<u>4,746</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	85,262,186	92,260,109	91,657,451	602,658
Special	49,923,249	43,773,339	43,658,277	115,062
Vocational Education	6,914,324	6,846,252	6,763,755	82,497
Other	97,500,000	90,986,959	90,809,444	177,515
Support Services:				
Pupils	22,336,845	16,561,011	16,541,032	19,979
Instructional Staff	9,232,181	9,035,924	8,625,447	410,477
Board of Education	65,100	89,160	52,193	36,967
Administration	18,872,914	20,534,178	20,062,566	471,612
Fiscal Services	13,883,558	6,846,512	6,741,691	104,821
Business	1,892,620	2,707,433	2,600,648	106,785
Operation and Maintenance of Plant	32,728,749	31,638,018	31,294,291	343,727
Pupil Transportation	15,363,437	16,765,106	16,354,621	410,485
Central	7,830,118	9,216,041	8,994,144	221,897
Other Services:				
Community Services	705,229	180,361	177,996	2,365
Other Operation of Non-Instructional Services	8,325,241	9,609,468	9,215,702	393,766
Academic and Subject Oriented Activities	174,938	119,139	119,130	9
Occupation Oriented Activities	158,325	67,971	62,760	5,211
Sport Oriented Activities	2,077,987	2,176,895	2,175,329	1,566
School and Public Service Co-Curricular. Activities	100,877	54,180	54,170	10
Site Improvement Services	265,000	296,000	5,109,922	(4,813,922)
Total Expenditures	<u>373,612,878</u>	<u>359,764,056</u>	<u>361,070,569</u>	<u>(1,306,513)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,180,304)	1,668,518	366,751	(1,301,767)

(Continued)

TOLEDO CITY SCHOOL DISTRICT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	122	122	122	0
Transfers Out	(551,960)	(318,234)	(318,424)	(190)
Advances In	6,284,050	6,284,050	6,311,050	27,000
Advances Out	(4,000,000)	(4,065,000)	(8,972,721)	(4,907,721)
Refund of Prior Year's Expenditures	36,487	39,487	39,487	0
Refund of Prior Year's Receipts	(500)	0	0	0
Total Other Financing Sources (Uses):	<u>1,768,199</u>	<u>1,940,425</u>	<u>(2,940,486)</u>	<u>(4,880,911)</u>
Net Change in Fund Balance	(10,412,105)	3,608,943	(2,573,735)	(6,182,678)
Fund Balance at Beginning of Year	36,147,726	36,147,726	36,147,726	0
Prior Year Encumbrances	<u>11,016,100</u>	<u>11,016,100</u>	<u>11,016,100</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,751,721</u>	<u>\$ 50,772,769</u>	<u>\$ 44,590,091</u>	<u>\$ (6,182,678)</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Net Position
Proprietary Funds
June 30, 2016***

	Governmental Activities - Internal Service Funds
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 15,821,345
Receivables:	
Accounts	144,587
Intergovernmental	4,448
Interest	51,172
Total Assets	<u>16,021,552</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	2,411,347
Accrued Wages and Benefits	5,472,800
Intergovernmental Payable	265,748
Interfund Loans Payable	228
Total Liabilities	<u>8,150,123</u>
Net Position:	
Unrestricted	<u>7,871,429</u>
Total Net Position	<u>\$ 7,871,429</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016***

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Interfund Charges	\$ 54,505,883
Total Operating Revenues	<u>54,505,883</u>
Operating Expenses:	
Personal Services	47,563,488
Purchased Services	3,788,455
Supplies and Materials	166,254
Total Operating Expenses	<u>51,518,197</u>
Operating Income	2,987,686
Nonoperating Revenue:	
Investment Earnings	56,137
Change in Net Position	3,043,823
Net Position Beginning of Year	4,827,606
Net Position End of Year	<u>\$ 7,871,429</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016**

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$54,498,103
Cash Payments to Employees for Services and Benefits	(50,277,986)
Net Cash Provided by Operating Activities	<u>4,220,117</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Advances In From Other Funds	228
Net Cash Provided by Noncapital Financing Activities	<u>228</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	25,835
Net Cash Provided by Investing Activities	<u>25,835</u>
Net Increase in Cash and Cash Equivalents	4,246,180
Cash and Cash Equivalents at Beginning of Year	11,575,165
Cash and Cash Equivalents at End of Year	<u><u>\$15,821,345</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$2,987,686
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	13,686
Decrease in Intergovernmental Receivables	3,453
Increase in Accounts Payable	1,588,459
Decrease in Accrued Wages and Benefits	(161,800)
Decrease in Intergovernmental Payables	(211,367)
Total Adjustments	<u>1,232,431</u>
Net Cash Provided by Operating Activities	<u><u>\$4,220,117</u></u>

During 2016 the fair value of investments decreased by \$19,877 and \$5,259 in the Health Insurance and Workers' Compensation Funds, respectively.

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

**Statement of Net Position
Fiduciary Funds
June 30, 2016**

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 2,249,541	\$ 180,463
Receivables:		
Interest	4,800	1,108
Total Assets	<u>2,254,341</u>	<u>181,571</u>
Liabilities:		
Accounts Payable	40	4,424
Due to Students	0	177,147
Total Liabilities	<u>40</u>	<u>181,571</u>
Net Position:		
Unrestricted	2,254,301	0
Total Net Position	<u>\$ 2,254,301</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2016**

	<u>Private Purpose Trust Special Trust Fund</u>
Additions:	
Contributions:	
Sales	\$ 6,517
Private Donations	<u>343,430</u>
Total Contributions	<u>349,947</u>
Investment Earnings:	
Interest	<u>6,343</u>
Total Investment Earnings	<u>6,343</u>
Total Additions	<u>356,290</u>
Deductions:	
Administrative Expenses	<u>58,995</u>
Total Deductions	<u>58,995</u>
Change in Net Position	297,295
Net Position at Beginning of Year	<u>1,957,006</u>
Net Position End of Year	<u>\$ 2,254,301</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Toledo City School District, Ohio (the 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 governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the School District's instructional support facilities staffed by approximately 1,768 noncertified and approximately 1,506 certified teaching personnel and administrative employees providing education to 21,618 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (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, functions and component units 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. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the application of the above criteria for a component unit, and the criteria for defining joint ventures set forth under section J50.102 of the 2004 Codification there are no component units or "Joint Ventures." 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 District is the sponsor of the Polly Fox and the Phoenix Academies, both charter schools established under Chapter 3314 of the Ohio Revised Code. These community schools are not considered part of the District.

The accounting policies and financial reporting practices of the District conform to Generally Accepted Accounting Principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures (expenses). The various funds are grouped into the categories governmental, proprietary and fiduciary.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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 (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

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

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

Internal Service Funds - The internal service funds are 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 District uses internal service funds to account for employee health insurance, workers' compensation, operations of the computer network of the Department of Education and operations that provide goods and services to other departments within the District.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. 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 trust fund is a private purpose trust that accounts for scholarship programs for students and unclaimed monies. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on an accrual basis of accounting. The District has two agency funds. One fund is used to account for federal grant monies used for tuition in Toledo Public Schools’ Adult Education programs and the other to account for student activity programs.

C. 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. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no activities considered business-type activities.

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

The government-wide statement of activities presents 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 that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. Interfund services provided and used are not eliminated in the process of consolidation. 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.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the School District. The focus of governmental fund 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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and 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.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds 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 total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus. The agency funds are custodial in nature (assets equal liabilities) and do not have a measurement focus.

D. Basis of Accounting

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

Government-wide, proprietary and fiduciary fund financial statements measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds use no measurement focus.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Current property taxes measurable at June 30, 2016, and which are not intended to finance fiscal 2016 operations, have been recorded as deferred inflows of resources on the Statement of Net Position. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2016 are reflected as part of the restricted fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

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.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the Certificate of Estimated Resources and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the fund level.

Supplemental budgetary modifications may only be made by resolution of the Board of Education.

1. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final Amended Official Certificate of Estimated Resources issued during fiscal year 2016.

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***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. 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. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications. Pursuant to the provisions of Section 323.17, Ohio Revised Code, an exception to the October 1 filing deadline is permitted when the delivery of a tax duplicate, from the County Auditor, is delayed. For fiscal year 2016 the Board of Education passed the annual certification on June 23, 2015.

3. 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.

4. 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 recorded as the equivalent of expenditures (budgetary basis).

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Budgetary Basis of Accounting (Continued)

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

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$13,666,151
Increase (Decrease):	
Accrued Revenues at June 30, 2016, received during FY 2017	(20,759,327)
Accrued Revenues at June 30, 2015, received during FY 2016	13,727,091
Accrued Expenditures at June 30, 2016, paid during FY 2017	28,292,060
Accrued Expenditures at June 30, 2015, paid during FY 2016	(31,132,705)
Perspective Difference:	
2015 Advance to Fiduciary Fund	43,500
2016 Advance to Fiduciary Fund	(60,000)
Activity of Funds Reclassified For GAAP Reporting Purposes	38,791
2015 Adjustment to Fair Value	(6,348)
2016 Adjustment to Fair Value	154,523
Encumbrances Outstanding	(6,537,471)
Budget Basis	<u>(\$2,573,735)</u>

F. Cash and Investments

Cash received by the District is deposited into various accounts maintained at multiple banking institutions. Pooled amounts are tracked with individual fund balance integrity maintained throughout. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term cash equivalent investments, which are stated at cost. In accordance with 2450.106 of the 2004 GASB Codification on reporting cash flows of Proprietary Funds, cash equivalents are defined as investments of the cash management pool and short term, highly liquid investments that are readily convertible to cash and so near to maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of less than three months are considered to meet this definition; otherwise they are shown as "investments" for these funds. At June 30, 2016, there were no investment balances as defined under section 2450.106 of the 2004 GASB Codification.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

During fiscal year 2016, investment purchases were exclusively limited to Star Ohio, Commercial Paper, Banker's Acceptance, U.S. Treasury Obligations, U.S. Agency Issues, Interest Bearing Savings Accounts, Sweep Accounts, Negotiable Orders of Withdrawals and Money Market Mutual Funds. Except for participating interest earning investments and money market investments that had a remaining maturity of one year or less at the time of purchase and non-participating interest earning investments, investments are reported at fair value. All remaining investments are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to certain funds and according to Board policy and resolution. The District's investments are affected by fair value change; therefore, they are participating. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$267,098, which includes \$147,499 assigned from other funds.

The District has invested funds in the STAR Ohio during 2016. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940 and is rated AAAM by Standard and Poor's Rating Agency. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2016.

The District invests inactive funds for the School Building Support, Vocational Rotary, and Administratively Managed Student Activity Funds and distributes interest earned on these funds to the individual cost centers. The District also invests inactive funds in the Auxiliary Services Program Fund, the School Facilities Maintenance Fund, the Locally Funded Initiatives Fund, the Classroom Facilities Project Fund, the Permanent Improvement Fund, the Employee Benefit – Insurance Fund, the Worker's Compensation Fund and distributes interest earned directly to the funds. See Note 4, "Cash, Cash Equivalents and Investments."

From June 30, 2015 to June 30, 2016, the investment portfolio exhibited an increase in fair value of approximately \$16,069,426, while the average maturity decreased by 52 days and the average yield increased by 25 basis points (.253%). The increase in fair value was directly attributable to the increase and stability in fund balances, providing additional monies for investment purposes. Interest earnings for all funds since June 30, 2015, increased from \$221,413 to \$512,564 or approximately 132% as the interest rate environment began to rise and available dollars to invest increased.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower-of-cost-or-market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

H. Capital Assets and Depreciation

1. Property, Plant and Equipment - Governmental Activities

Capital assets generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$5,000.

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition.

2. Depreciation

All capital assets, except for land, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	20
Buildings	45-100
Furniture, Fixtures and Equipment	5 - 20
Vehicles	5 - 10
Portable Trailers	10 - 20

I. 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
Compensated Absences	General Fund
Net Pension Liability	General Fund Special Revenue Funds

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences and Salary Related Payments

The District has implemented the provisions of Section C60 of the 2004 GASB Codification. Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the District has identified as probable of receiving payment in the future and other salary related payments. The amount is based on accumulated sick leave and employee's wage rates at year-end, taking into consideration any limits specified in the District's severance policy. For governmental funds, that portion of unpaid compensated absences that has matured and is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of Net Position, the current portion of "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are being paid out of the general fund.

K. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. 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 is 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 is available.

L. Fund Balance

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

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

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance (Continued)

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. Assigned amounts represent intended uses established by policies of the School District Board of Education. Through the District's purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes, which are also 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

The District currently has no policy for minimum fund balance.

M. Pensions

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

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Intergovernmental Revenues

Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred with the exception of those grants where the grant period extends past June 30. For these grants, prepayment amounts that exceed related expenditures are reported as unearned revenue.

O. Interfund Activity

Exchange transactions between governmental funds are eliminated on the government-wide statements.

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.

P. 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.

Q. 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 funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Bond Premiums, Bond Discounts, Gains on Refunding and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed. Bond premiums are deferred and accreted over the term of the bonds. Any gain or loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

On the governmental fund financial statements, governmental fund types recognize issuance costs, bond premiums, and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 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, pension, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position explained in Note 10.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Supplies Inventory	\$93,390	\$334,760	\$428,150
Corpus	0	503,291	503,291
Total Nonspendable	<u>93,390</u>	<u>838,051</u>	<u>931,441</u>
Restricted:			
Endowments	0	236,247	236,247
Food Services	0	570,367	570,367
Adult Education	0	680,691	680,691
School Facilities Maintenance	0	13,207,075	13,207,075
Auxiliary Services	0	1,078,734	1,078,734
Extracurricular Activities	0	305,259	305,259
Technology Improvements	0	48,023	48,023
Special Education	0	83,554	83,554
Targeted Academic Assistance	0	3,189,500	3,189,500
Debt Service Payments	0	4,196,891	4,196,891
Capital Acquisition and Improvement	0	9,765,487	9,765,487
Total Restricted	<u>0</u>	<u>33,361,828</u>	<u>33,361,828</u>
Committed:			
Budget Stabilization	6,621,906	0	6,621,906
Assigned:			
Encumbrances for Purchase Orders	4,089,081	0	4,089,081
Uniform School Supplies	557,329	0	557,329
Rotary Special Services	119,518	0	119,518
Public School Support	500,268	0	500,268
Total Assigned	<u>5,266,196</u>	<u>0</u>	<u>5,266,196</u>
Unassigned (Deficits):	<u>41,460,060</u>	<u>(2,500,006)</u>	<u>38,960,054</u>
Total Fund Balances (Deficits)	<u>\$53,441,552</u>	<u>\$31,699,873</u>	<u>\$85,141,425</u>

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at June 30, 2016 of \$228 in the Payroll Liabilities Fund (Internal Service Fund), \$96,577 in the Public School Preschool Fund, \$3,936 in the Miscellaneous State Grant Fund, \$159,595 in the Race to the Top Fund, \$25,988 in the Vocational Education Fund, \$3,132 in the Title VII Bilingual Education Program Fund, \$16,551 in the Preschool Grants for the Handicapped Fund, \$79,710 in the Improving Teacher Quality Fund, \$199,548 in the Title I School Improvement Stimulus G Fund (special revenue funds) and \$1,914,969 in the Permanent Improvement Fund (Capital Projects Fund) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

B. Expenditures Exceeding Appropriations

Section 5705.41 (B), Ohio Revised Code, states no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41 (D), Ohio Revised Code, states in part that encumbrances should be charged against proper appropriations and actual disbursements plus outstanding encumbrances should not be greater than the total appropriations. The District's expenditures exceeded appropriations for the General Fund by \$6,214,424, the Other Grants Fund by \$67,357, the Public School Preschool Fund by \$110,819, the Data Communications Fund by \$59,269, the Race to the Top Fund by \$140,281, the Preschool Grants for the Handicapped Fund by \$65,349 and the Permanent Improvement Fund by \$2,601,450. Failure to properly monitor and compare appropriations and actual expenditures could lead to over spending and cause a deficit in the fund balance.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all District deposits was \$140,879,820. This does not include cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, at June 30, 2016 cash concentration accounts, savings accounts, mutual funds, Star Ohio (State Asset Reserve Fund) and certificates of deposit totaled \$42,754,849. Of this amount, \$42,252,399 was exposed to custodial risk as discussed below, while \$502,450 was covered by Federal Deposit Insurance Corporation.

Custodial risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. Consistent with the requirements of state law, it is the policy of the District to require full collateralization of all District investments and funds on deposit with any depository. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

Any District holdings in sweep accounts, savings accounts or certificates of deposit are collateralized with pooled securities. Any repurchase agreement with a maturity greater than 30 days requires physical delivery of specific securities to a third party custodian. Repurchase agreement activity maturing 30 days and less is collateralized by pooled securities. At June 30, 2016, there were no Repurchase Agreements with a maturity of greater than 30 days.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of June 30, 2016, the District had the following investments and maturities.

Investment Type	June 30, 2016	June 30, 2016	Investment Maturities (in Years)		
	Adjusted Cost	Fair Value	less than 1	1-2	2-5
Star Ohio	\$18,564,058	\$18,564,058	\$18,564,058	\$0	\$0
Commercial Paper	43,551,247	43,610,147	43,610,147	0	0
US Treasury Securities	29,416,064	29,582,486	21,996,061	2,519,325	5,067,100
Non-Callable US Agency Securities	24,901,368	24,932,338	24,932,338	0	0
Total Investments	<u>\$116,432,737</u>	<u>\$116,689,029</u>	<u>\$109,102,604</u>	<u>\$2,519,325</u>	<u>\$5,067,100</u>
			<u>93.50%</u>	<u>2.16%</u>	<u>4.34%</u>

Note: The maturity analysis above assumes that callable securities will not be called.

All Investment securities are assumed to mature on their final stated maturity date.

The Weighted Average Maturity (in Days) of the Entire Investment Portfolio from Purchase Date to Maturity Date is:	178
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	110
The Average Duration of the Entire Investment Portfolio is:	0.3
The Weighted Average Coupon of the Entire Portfolio is:	0.141%
The Weighted Average Yield of the Entire Portfolio is:	0.447%

A security with less than one (1) year to maturity (based on Remaining Life), is reported at cost, plus or minus, accretion or amortization adjustment. A security with a maturity of more than one (1) year (based on Remaining Life), is reported at adjusted cost, plus or minus, market value adjustment. Star Ohio, Bank Certificates of Deposit and Repurchase Agreements are reported at adjusted cost.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years and less. As of June 30, 2016, ninety-three and one half percent (93.50%) of the investment portfolio matures within one year.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investment Policy

The District's investment policy is more restrictive in nature than the requirements of the Ohio Revised Code; providing for safety of principal, liquidity, diversity of portfolio assets while minimizing associated investment risks. The policy is intended to compliment the law and provide guidance to District personnel while administering the daily cash management and investment practices of the District. The policy is reviewed at least annually to incorporate any changes in the Ohio Revised Code; consider recommendations made by the Auditor of State's Office and the Ohio Compliance Supplement; monitor changes in "best practices" published by the Government Finance Officers Association; and reflect any legislative changes on behalf of the Toledo Board of Education. The policy has been reviewed and has received a national certification from the Association of Public Treasurer's Investment Policy Certification Committee.

Credit Risk

The District's investments, except for repurchase agreements, savings accounts, sweep accounts, commercial paper, and certificates of deposit, as discussed above were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services respectively. The holdings in the State Treasury Asset Reserve Fund (STAR Ohio) have been assigned an AAAM money market rating by Standard & Poor's. As required by District policy all commercial paper holdings at the time of purchase are rated in the highest class by at least two of the nationally recognized rating services (Standard & Poor's, Moody's Investor Service, or Fitch Rating Services). Combined holdings of Commercial Paper and Banker Acceptances are limited to 30% of total investment portfolio holdings. The mutual fund used to transact third party safekeeping of U.S. Treasury, U.S. Agency, Commercial Paper, Banker's Acceptance securities and select Repurchase Agreement Collateral, has been assigned an AAA rating based on the securities held in the fund. All District holdings in U.S. Agency securities carry the explicit guarantee of the United States government and are rated Aaa by Moody's and AAA by Standard & Poor's rating agencies.

Concentration of Credit Risk

In order to avoid an undue concentration of credit risk, the District's investment policy places limits on the amount that may be invested in any one issuer at any one time. The limits are as follows:

- (a) No more than ten percent (10%) of average portfolio outstanding will be invested in Certificates of Deposit of any one Depository at any one time. District Funds invested in Certificates of Deposit of any one Depository may not exceed thirty percent (30%) of the Depository's assets. Only collateralized, non-negotiable Certificates of Deposit, from Depository's approved to hold interim funds, will be considered for purchase. All Certificates of Deposit shall be collateralized as provided in Section 135.18 or 135.181 of the Ohio Revised Code.
- (b) No more than ten percent (10%) of average portfolio outstanding will be invested in Term Repurchase Agreements of any one issuer at any one time. Deliverable collateral consisting of U.S. Government Securities with a fair value equal to at least 102% of principal plus interest of the transaction and with a maturity of five years or less is required for all Term Repurchase Agreement transactions.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- (c) Pooled collateral is acceptable on all district demand deposits. Delivery of collateral is **not** required on demand repurchase agreement activities (i.e. overnight cash management accounts with depositories). Surety bond collateral is acceptable for Certificate of Deposit investments if the insurer is rated in the highest class by a national recognized rating agency.
- (d) No more than five percent (5%) of average portfolio outstanding will be invested in Commercial Paper in any one issuer at any one time.
- (e) No more than five percent (5%) of average portfolio outstanding will be invested in Banker's Acceptances in any one issuer at any one time.

The following table includes the percentage of total of each investment type held by the District at June 30, 2016:

Concentration of Credit Risk by Investment Type

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$18,564,058	15.91%
Commercial Paper	43,610,147	37.37%
Non-Callable US Agency Securities	24,932,338	21.37%
Callable US Agency Securities	29,582,486	25.35%
Total Investments	<u>\$116,689,029</u>	<u>100.00%</u>

The following table includes the percentage of total of each issuer of investments held by the District at June 30, 2016:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$18,564,058	15.91%
ING Funding LLC	6,849,695	5.87%
Credit Agricole CIB - NY	4,616,136	3.96%
Nestle Financial International	3,086,271	2.64%
BNP Paribas Fortis SA/NY	2,997,708	2.57%
Natixis New York Branch	4,992,160	4.28%
Toyota Motor Credit Corporation	6,991,026	5.99%
Bank of Tokyo-MIT UFJ NY	7,190,172	6.16%
JP Morgan Securities	6,886,978	5.90%
United States Treasury Securities	29,582,487	25.35%
Federal Home Loan Bank System	24,932,338	21.37%
Total Investments	<u>\$116,689,029</u>	<u>100.00%</u>

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

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 collections are received by the District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2016 were levied after April 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last equalization adjustment was completed in 2015. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at varying ratios of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Toledo City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2016, upon which the 2015 levies were based, were as follows:

	<u>2015 Second Half Collections</u>	<u>2016 First Half Collections</u>
Real Estate	\$2,142,644,850	\$2,105,181,470
Tangible Personal and Public Utility Property	145,063,600	150,900,110
Total Assessed Value	<u>\$2,287,708,450</u>	<u>\$2,256,081,580</u>
Tax rate per \$1,000 of assessed valuation	\$69.50	\$73.10

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 6 - RECEIVABLES

Receivables at June 30, 2016 consisted of taxes receivable, interest receivable, accounts receivable, interfund loans receivable and intergovernmental receivables.

NOTE 7 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2016 from one individual fund to another are as follows:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$9,138,884	\$0
Other Governmental Funds	0	9,138,656
Internal Service Funds	0	228
Totals	<u>\$9,138,884</u>	<u>\$9,138,884</u>

The interfund loans receivable/payable are amounts that have been advanced from one fund to another and will be repaid during the following reporting period.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2016:

	Transfers In:		
	General Fund	Other Governmental Funds	Total
Transfers Out:			
General Fund	\$0	\$315,461	\$315,461
Other Governmental Funds	163,697	47,598	211,295
	<u>\$163,697</u>	<u>\$363,059</u>	<u>\$526,756</u>

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

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 9 - CAPITAL ASSETS

Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2016:

Historical Cost:

Class	June 30, 2015	Additions	Deletions	June 30, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$13,897,335	\$0	\$0	\$13,897,335
<i>Capital assets being depreciated:</i>				
Land Improvements	8,533,154	0	0	8,533,154
Buildings	614,927,050	0	0	614,927,050
Building Improvements	26,694,930	719,981	0	27,414,911
Machinery and Equipment	12,592,717	4,373,822	0	16,966,539
Vehicles	12,404,534	1,124,796	(670,272)	12,859,058
Total Cost	<u>\$689,049,720</u>	<u>\$6,218,599</u>	<u>(\$670,272)</u>	<u>\$694,598,047</u>

Accumulated Depreciation:

Class	June 30, 2015	Additions	Deletions	June 30, 2016
Land Improvements	(\$8,359,780)	(\$69,778)	\$0	(\$8,429,558)
Buildings	(94,816,625)	(12,005,433)	0	(106,822,058)
Building Improvements	(20,042,624)	(241,794)	0	(20,284,418)
Machinery and Equipment	(11,077,752)	(1,316,260)	0	(12,394,012)
Vehicles	(9,237,986)	(991,059)	667,122	(9,561,923)
Total Depreciation	<u>(\$143,534,767)</u>	<u>(\$14,624,324) *</u>	<u>\$667,122</u>	<u>(\$157,491,969)</u>
<i>Net Value:</i>	<u>\$545,514,953</u>			<u>\$537,106,078</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$12,451,257
Support Services	1,970,368
Non-Instructional Services	194,809
Extracurricular Activities	7,890
Total Depreciation Expense	<u>\$14,624,324</u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

A. Net Pension Liability

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

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

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

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

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

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$5,579,656 for fiscal year 2016. Of this amount \$1,081,513 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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

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

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

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

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2015, and will be increased one percent until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$17,292,974 for fiscal year 2016. Of this amount \$3,042,440 is reported as an intergovernmental payable.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$81,070,432	\$315,866,629	\$396,937,061
Proportion of the Net Pension Liability -2016	1.4207686%	1.1429090%	
Proportion of the Net Pension Liability -2015	1.2916890%	1.0940502%	
Percentage Change	<u>0.1290796%</u>	<u>0.04885883%</u>	
Pension Expense	\$511,400	\$2,564,982	\$3,076,382

At June 30, 2016, the District 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	\$1,249,783	\$14,285,121	\$15,534,904
School District contributions subsequent to the measurement date	5,579,656	17,292,974	22,872,630
Changes in proportion share	5,767,897	11,289,100	17,056,997
Total Deferred Outflows of Resources	<u>\$12,597,336</u>	<u>\$42,867,195</u>	<u>\$55,464,531</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,625,859	\$20,518,168	\$22,144,027
Changes in proportion share	1,060,267	2,198,614	3,258,881
Total Deferred Inflows of Resources	<u>\$2,686,126</u>	<u>\$22,716,782</u>	<u>\$25,402,908</u>

\$22,872,630 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	\$849,541	(\$2,332,755)	(\$1,483,214)
2018	849,541	(2,332,755)	(1,483,214)
2019	843,358	(2,332,753)	(1,489,395)
2020	1,789,114	9,855,702	11,644,816
Total	<u>\$4,331,554</u>	<u>\$2,857,439</u>	<u>\$7,188,993</u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

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

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

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

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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:

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$112,415,559	\$81,070,432	\$54,675,253

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2015 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	1.00	3.00
Total	<u>100.00 %</u>	

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. 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, 2015. 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, 2015.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$438,762,575	\$315,866,629	\$211,939,784

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2016, no percentage of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount (\$23,000 for 2016), pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

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

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$258,056, and \$814,553 respectively; 80.6% has been contributed for fiscal year 2016 and 100% for fiscal years 2015 and 2014.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2016, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2016, 2015, and 2014 were \$295,164, \$232,955, and \$375,010 respectively; which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2016, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$1,152,863 respectively; which were equal to the required contributions for each year.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 12 - LONG-TERM DEBT

Long-term debt of the District at June 30, 2016 was as follows:

Description	Balance June 30, 2015	Issued	(Retired)	Balance June 30, 2016	Amount Due Within One Year
Governmental Activities:					
<u>General Obligation Bond:</u>					
School Facility Improvement 2009					
G.O. Bond (2.00% - 5.375%)	\$24,259,995	\$0	(\$22,770,000)	\$1,489,995	\$805,000
Premium General Obligation Bond	286,494	0	(269,183)	17,311	5,770
School Facility Improvement 2012					
G.O. Bond (2.00% - 5.375%)	52,295,000	0	(4,330,000)	47,965,000	4,545,000
Premium General Obligation Bond	5,363,165	0	(536,317)	4,826,848	536,317
School Facility Improvement 2012B					
G.O. Bond (2.00% - 5.375%)	31,880,000	0	(50,000)	31,830,000	50,000
Premium General Obligation Bond	4,281,326	0	(237,852)	4,043,474	237,852
School Facility Improvement 2014					
G.O. Bond (2.00% - 5.00%)	30,850,000	0	(25,000)	30,825,000	25,000
Premium General Obligation Bond	3,924,867	0	(230,875)	3,693,992	230,875
School Facility Improvement 2016					
G.O. Bond (2.00% - 5.00%)	0	21,920,000	0	21,920,000	0
Premium General Obligation Bond	0	2,911,630	(145,581)	2,766,049	145,581
Total General Obligation Bond	153,140,847	24,831,630	(28,594,808)	149,377,669	6,581,395
(Net Pension Liability)					
School Teachers Retirement System	266,110,874	49,755,755	0	315,866,629	0
School Employees Retirement System	65,371,646	15,698,786	0	81,070,432	0
Total Net Pension Liability	331,482,520	65,454,541	0	396,937,061	0
<u>Other Obligations:</u>					
Compensated Absences	14,170,811	14,004,115	(14,170,811)	14,004,115	899,635
Long-Term Debt and Other Long-Term Obligations	\$498,794,178	\$104,290,286	(42,765,619)	\$560,318,845	\$7,481,030

During fiscal years 2009, 2012, 2013, 2014 and 2016 the District issued General Obligation Bonds in the amounts of \$31,999,995, \$52,555,000, \$34,265,000, \$32,335,000 and \$21,920,000 respectively to finance School Facility Improvement building projects.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 12 - LONG-TERM DEBT (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements for the general obligation bonds payable, including principal and interest payments as of June 30, 2016, follows:

General Obligation Bonds Payable			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	5,425,000	7,096,838	12,521,838
2018	5,198,783	7,315,965	12,514,748
2019	5,386,212	7,110,531	12,496,743
2020	6,230,000	5,252,363	11,482,363
2021	6,460,000	4,995,013	11,455,013
2022-2026	36,430,000	20,337,778	56,767,778
2027-2031	43,885,000	11,158,425	55,043,425
2032-2036	25,015,000	1,801,993	26,816,993
Totals	<u>\$134,029,995</u>	<u>\$65,068,906</u>	<u>\$199,098,901</u>

B. Refunded General Obligation Debt

On January 19, 2012, the District refunded \$54,385,000 of outstanding bonds (the "2003 Bonds") with an interest rate of 4.6% with \$60,063,433 of refunding bonds, including premium, issued in January 2012. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. The refunded bonds have been paid in full as of June 30, 2016.

On November 6, 2012, the District refunded \$37,010,000 of outstanding bonds (the "2003B Bonds") with an interest rate of 4.62% with \$39,259,882 of refunding bonds, including premium, with an all in cost interest rate of 3.33%. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. The refunded bonds have been paid in full as of June 30, 2016.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 12 - LONG-TERM DEBT (Continued)

B. Refunded General Obligation Debt (Continued)

On May 21, 2014, the District refunded \$36,240,000 of outstanding bonds (the “2003 Bonds” and the “2003B Bonds”) with an interest rate of 4.64% with \$36,721,617 of refunding bonds, including premium, with an all in cost interest rate of 3.81%. The remaining principal amounts of the 2003 and 2003B bonds were paid off during 2014. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. This transaction resulted in an aggregate savings to the District of \$4,588,648 in debt service payments and an economic gain of \$2,908,991. The refunded bonds have been paid in full as of June 30, 2016.

On December 23, 2015, the District refunded \$21,995,000 of outstanding bonds (the “2009 Bonds”) with an interest rate of 5.375% with \$24,831,630 of refunding bonds, including premium, with an all in cost interest rate of 3.24%. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. This transaction resulted in an aggregate savings to the District of \$2,721,099 in debt service payments and an economic gain of \$2,146,150. The refunded bonds have been paid in full as of June 30, 2016.

NOTE 13 - ENDOWMENTS

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. Under the terms of the endowment/trust, and consistent with State statutes, the District is authorized to spend the net appreciation from the trust for any disbursements that are consistent with the original trust agreement. At June 30, 2016, accumulated available net appreciation of \$236,247 is reported in restricted Net Position.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 14 - RISK MANAGEMENT

The District is exposed to financial loss resulting from District-caused damage to property or bodily injuries or illness of employees, unemployment compensation benefits to previous employees, and employee health care, prescription drug, dental and life insurance benefits. The Administrative Services - Employee Benefit Self-Insurance Fund, an internal service fund, is used to account for, and finance self-insurance activities. This fund includes prescription drug, dental and health insurance benefits. The District also maintains an Administrative Services - Workers Compensation Fund, which was established under the State of Ohio's retrospective rating plan provisions. These costs are also accounted for in an Internal Service fund.

In accordance with section C50.141 of the 2004 GASB Codification, estimated liabilities are accrued in all Self-Insurance funds for the value of current outstanding claims and claims incurred but not reported (IBNR). Annual actuarial studies are performed for the Employee Benefit Self Insurance and Workers Compensation Funds to determine the recommended funding levels for related risk areas. The claims liability of \$5,472,800 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$265,748 (Intergovernmental Payable) in the Workers Compensation Self-Insurance Fund is based on the requirements of Government Accounting Standards Board Statement 10 as amended by Government Accounting Standards Board Statement 30. This statement requires that a liability for claims be reported if information indicates, prior to the issuance of the financial statements, that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities are considered current and due within one year.

Changes in the fund's claims liability amount in 2015 and 2016 were:

<u>Fiscal Year</u>	<u>Unpaid Claims Beginning of Fiscal Year</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>Unpaid Claims Ending of Fiscal Year</u>
2015	\$5,654,382	53,148,321	(52,690,988)	\$6,111,715
2016	6,111,715	49,510,990	(49,884,157)	5,738,548

District property, employee life, and all other insurance coverage's are provided by commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 15 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2016, the reserve activity (cash-basis) was as follows:

	Capital Maintenance
Set-aside Balance as of June 30, 2015	\$0
Current Year Set-Aside Requirement	3,664,729
Current Year Offset Credits	6,165,967
Qualifying Disbursements	<u>(10,742,016)</u>
Total	<u>(\$911,320)</u>
Set-aside Balance Carried Forward to FY 2017	<u><u>\$0</u></u>

Although the District had offsets and qualifying disbursements during the year that reduced the Capital Maintenance set-aside amount below zero, the extra amount may not be used to reduce the Capital Maintenance set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for Capital Maintenance.

NOTE 16 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at year-end in the General Fund are \$6,537,471 and are reported as part of accounts payable and assigned fund balance. Also, in the Permanent Improvement Fund and the Classroom Facilities Fund (capital projects funds) there are significant encumbrances outstanding in the amounts of \$1,155,526 and \$18,500,000, respectively. These amounts are reported as part of the restricted fund balance.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016***

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

B. Litigation

The District is a party to several legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2016. The District's management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the District.

C. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

REQUIRED SUPPLEMENTAL INFORMATION



TOLEDO CITY SCHOOL DISTRICT

***Schedule of District's Proportionate Share of the Net Pension Liability
Last Two Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	1.09405021%	1.14290904%
District's proportionate share of the net pension liability (asset)	\$266,110,874	\$315,866,629
District's covered-employee payroll	\$115,286,315	\$114,103,786
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	230.83%	276.82%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%

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

School Employees Retirement System

Fiscal Year	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	1.291689%	1.420769%
District's proportionate share of the net pension liability (asset)	\$65,371,646	\$81,070,432
District's covered-employee payroll	\$37,746,919	\$33,411,912
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.18%	242.64%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%

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

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

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

TOLEDO CITY SCHOOL DISTRICT

***Schedule of District Contributions
Last Ten Fiscal Years***

State Teachers Retirement System

Fiscal Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Contractually required contribution	\$16,974,965	\$16,735,409	\$17,543,409	\$17,824,505
Contributions in relation to the contractually required contribution	<u>16,974,965</u>	<u>16,735,409</u>	<u>17,543,409</u>	<u>17,824,505</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$130,576,654	\$128,733,915	\$134,949,300	\$137,111,577
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%

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

School Employees Retirement System

Fiscal Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Contractually required contribution	\$4,547,667	\$3,878,404	\$4,206,668	\$5,599,201
Contributions in relation to the contractually required contribution	<u>4,547,667</u>	<u>3,878,404</u>	<u>4,206,668</u>	<u>5,599,201</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$42,581,152	\$39,494,949	\$42,750,691	\$41,353,035
Contributions as a percentage of covered-employee payroll	10.68%	9.82%	9.84%	13.54%

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

Notes: The District implemented GASB Statement 68 in 2015.

TOLEDO CITY SCHOOL DISTRICT

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$15,853,676	\$11,793,968	\$15,535,008	\$14,987,221	\$15,974,530	\$17,292,974
<u>15,853,676</u>	<u>11,793,968</u>	<u>15,535,008</u>	<u>14,987,221</u>	<u>15,974,530</u>	<u>17,292,974</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$121,951,354	\$90,722,831	\$119,500,061	\$115,286,315	\$114,103,786	\$123,521,243
13.00%	13.00%	13.00%	13.00%	14.00%	14.00%

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$4,769,037	\$4,435,526	\$6,786,840	\$5,231,723	\$4,403,690	\$5,579,656
<u>4,769,037</u>	<u>4,435,526</u>	<u>6,786,840</u>	<u>5,231,723</u>	<u>4,403,690</u>	<u>5,579,656</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$37,939,833	\$32,977,888	\$49,037,861	\$37,746,919	\$33,411,912	\$39,854,686
12.57%	13.45%	13.84%	13.86%	13.18%	14.00%



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

***T**HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, INTERNAL
SERVICE FUNDS AND FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

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

Food Service Fund

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

Uniform School Supplies Fund

A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sales is to be used for school purposes or activities in connection with the school. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Vocational Rotary Fund

A fund provided to account for revenue and expenses made in connection with goods and services provided by a school district. 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. This fund is also used to account for "Life Enrichment Programs" offered by a school district. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Adult Education Fund

A fund provided to account for transactions made in connection with adult education classes.

School Building Support Fund

A fund provided to account for specific local revenue sources, other than taxes that are restricted to expenditures for specific purposes approved by board resolution. Such expenditures may include curricular and extracurricular related purchases. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Other Grants Fund

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

School Facilities Maintenance Fund

A fund provided to account for the proceeds of a levy for the maintenance of facilities.

(Continued)

Special Revenue Funds

Administratively Managed Student Activity Fund

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corp., and other similar types of activities.

Auxiliary Services Program Fund

A fund used to account for monies that provide services and materials to pupils attending non-public schools within the school district.

Management Information System Fund

A fund for hardware and software development, or other costs associated with the requirements of the management information system.

Public School Preschool Fund

A fund to assist school districts in paying the cost of preschool programs for three and four year olds.

Data Communication Fund

A fund used to account for monies received for the maintenance of the Ohio Educational Computer Network connections. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Vocational Education Enhancement Fund

A fund used to account for Vocational Education Enhancement that: 1) expand number of students enrolled in tech prep programs, 2) enable students to develop career plans, 3) replace or update equipment essential for instruction of students in job skills.

Alternative Schools Fund

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at the risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Miscellaneous State Fund

A fund used to account for money received from the state government which is not classified elsewhere.

(Continued)

Special Revenue Funds

Race to the Top Fund

To account for monies received to provide either a new program or expansion of an existing program in specific educational areas.

Special Education Handicapped Fund

Provision of Grants to assist states in the identification of handicapped children, development of procedural safeguards, implementation of less restrictive alternative services patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Fund

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects. Includes sex equity grants.

Title VII Bilingual Education Program Fund

Provision of funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational need of children of limited English proficiency.

Title I Fund

To provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Drug Free School Grant Fund

To provide financial assistance for programs of drug abuse education and prevention.

Preschool Grants for the Handicapped Fund

To provide financial assistance to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality Fund

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, to reduce the number of students per teacher.

Miscellaneous Federal Grants Fund

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which is not classified elsewhere. (This fund is not part of the District's appropriated budget, therefore no budgetary schedule is presented.)

Title I School Improvement Stimulus A Fund

To help schools improve the teaching and learning of children failing, or most at risk of failing to meet State academic achievement standards.

(Continued)

Special Revenue Funds

Title I School Improvement Stimulus G Fund

To support and restore State funding for elementary, secondary, post-secondary education and as applicable early childhood programs.

Head Start Fund

A fund used to account for various monies from the federal government to support low-income families in the comprehensive development of children from birth to age five.

Debt Service Fund

Debt Service Fund

This fund is used for the accumulation of resources for, and the payment of, long term debt principal and interest.

Capital Projects Fund

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

Permanent Improvement Fund

A fund used to account for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Locally Funded Initiative Fund

This fund is used to account for receipts and expenditures related to special bond funds in the District. Expenditures recorded represent the costs of acquiring capital facilities including real property.

Classroom Facilities Fund

This fund accounts for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

Permanent Fund

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

Endowments Fund

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

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 24,072,840	\$ 3,304,266	\$ 28,801,232	\$ 736,769	\$ 56,915,107
Cash with Fiscal Agent	0	0	115,554	0	115,554
Receivables:					
Taxes	253,604	11,306,938	3,503,493	0	15,064,035
Accounts	39,852	0	2,200	0	42,052
Intergovernmental	21,848,383	0	0	0	21,848,383
Interest	55,233	0	107,625	2,769	165,627
Inventory Held for Resale	334,760	0	0	0	334,760
Total Assets	\$ 46,604,672	\$ 14,611,204	\$ 32,530,104	\$ 739,538	\$ 94,485,518
Liabilities:					
Accounts Payable	\$ 1,846,698	\$ 0	\$ 18,339,406	\$ 0	\$ 20,186,104
Accrued Wages and Benefits	3,885,953	0	0	0	3,885,953
Intergovernmental Payable	842,627	0	0	0	842,627
Retainage Payable	0	0	115,554	0	115,554
Interfund Loans Payable	6,138,656	0	3,000,000	0	9,138,656
Total Liabilities	12,713,934	0	21,454,960	0	34,168,894
Deferred Inflows of Resources:					
Unavailable Amounts	14,977,812	1,694,140	481,944	0	17,153,896
Property Tax for Next Fiscal Year	0	8,720,173	2,742,682	0	11,462,855
Total Deferred Inflows of Resources	14,977,812	10,414,313	3,224,626	0	28,616,751
Fund Balances:					
Nonspendable	334,760	0	0	503,291	838,051
Restricted	19,163,203	4,196,891	9,765,487	236,247	33,361,828
Unassigned	(585,037)	0	(1,914,969)	0	(2,500,006)
Total Fund Balances	18,912,926	4,196,891	7,850,518	739,538	31,699,873
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 46,604,672	\$ 14,611,204	\$ 32,530,104	\$ 739,538	\$ 94,485,518

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 984,168	\$ 10,040,115	\$ 3,083,054	\$ 0	\$ 14,107,337
Tuition	235,084	0	0	0	235,084
Food Services	600,033	0	0	0	600,033
Investment Earnings	45,407	0	79,253	3,584	128,244
Extracurricular Activities	381,611	0	0	450	382,061
Class Materials and Fees	2,412	0	0	0	2,412
Intergovernmental - State	5,647,101	2,065,806	159,516	0	7,872,423
Intergovernmental - Federal	50,224,393	0	0	0	50,224,393
All Other Revenue	2,367,270	0	2,200	0	2,369,470
Total Revenue	60,487,479	12,105,921	3,324,023	4,034	75,921,457
Expenditures:					
Current:					
Instruction	16,995,901	0	158,156	227	17,154,284
Supporting Services	15,972,575	488,114	1,305,982	300	17,766,971
Operation of Non-Instructional Services	23,769,654	0	0	0	23,769,654
Extracurricular Activities	492,620	0	0	0	492,620
Capital Outlay	0	0	4,888,554	0	4,888,554
Principal Retirement	0	5,180,000	0	0	5,180,000
Interest and Fiscal Charges	0	6,832,291	0	0	6,832,291
Total Expenditures	57,230,750	12,500,405	6,352,692	527	76,084,374
Excess (Deficiency) of Revenues					
Over Expenditures	3,256,729	(394,484)	(3,028,669)	3,507	(162,917)
Other Financing Sources (Uses):					
Payments to Refunding Bonds Escrow Agent	0	(24,553,999)	0	0	(24,553,999)
Refunding Bonds Issued	0	21,920,000	0	0	21,920,000
Premiums on Refunding Bonds Issued	0	2,911,630	0	0	2,911,630
Transfers In	363,059	0	0	0	363,059
Transfers Out	(211,295)	0	0	0	(211,295)
Total Other Financing Sources (Uses)	151,764	277,631	0	0	429,395
Net Change in Fund Balances	3,408,493	(116,853)	(3,028,669)	3,507	266,478
Fund Balances at Beginning of Year	15,504,433	4,313,744	10,879,187	736,031	31,433,395
Fund Balances End of Year	\$ 18,912,926	\$ 4,196,891	\$ 7,850,518	\$ 739,538	\$ 31,699,873

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
Assets:				
Cash and Cash Equivalents	\$ 1,000,790	\$ 703,811	\$ 221,544	\$ 13,544,056
Receivables:				
Taxes	0	0	0	253,604
Accounts	6,001	27,693	3,685	0
Intergovernmental	0	38,996	0	0
Interest	377	0	0	48,391
Inventory Held for Resale	334,760	0	0	0
Total Assets	\$ 1,341,928	\$ 770,500	\$ 225,229	\$ 13,846,051
Liabilities:				
Accounts Payable	\$ 36,563	\$ 2,449	\$ 18,499	\$ 461,881
Accrued Wages and Benefits	229,953	55,305	23,147	2,798
Intergovernmental Payable	167,280	22,815	406	8,205
Interfund Loans Payable	3,005	9,240	10,474	0
Total Liabilities	436,801	89,809	52,526	472,884
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	166,092
Total Deferred Inflows of Resources	0	0	0	166,092
Fund Balances:				
Nonspendable	334,760	0	0	0
Restricted	570,367	680,691	172,703	13,207,075
Unassigned	0	0	0	0
Total Fund Balances (Deficit)	905,127	680,691	172,703	13,207,075
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,341,928	\$ 770,500	\$ 225,229	\$ 13,846,051

TOLEDO CITY SCHOOL DISTRICT

Administratively Managed Student Activity	Auxiliary Services Program	Management Information System	Public School Preschool	Data Communication	Vocational Education Enhancement
\$ 332,153	\$ 2,109,312	\$ 29,530	\$ 4,103	\$ 202,795	\$ 31,411
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	95,953	0	18,642
1,271	5,194	0	0	0	0
0	0	0	0	0	0
<u>\$ 333,424</u>	<u>\$ 2,114,506</u>	<u>\$ 29,530</u>	<u>\$ 100,056</u>	<u>\$ 202,795</u>	<u>\$ 50,053</u>
\$ 27,505	\$ 308,971	\$ 0	\$ 17,596	\$ 90,302	\$ 6,744
0	145,008	0	7,177	0	0
660	23,498	0	5,907	0	0
0	558,295	0	70,000	94,000	14,052
<u>28,165</u>	<u>1,035,772</u>	<u>0</u>	<u>100,680</u>	<u>184,302</u>	<u>20,796</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>95,953</u>	<u>0</u>	<u>335</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>95,953</u>	<u>0</u>	<u>335</u>
0	0	0	0	0	0
305,259	1,078,734	29,530	0	18,493	28,922
0	0	0	(96,577)	0	0
<u>305,259</u>	<u>1,078,734</u>	<u>29,530</u>	<u>(96,577)</u>	<u>18,493</u>	<u>28,922</u>
<u>\$ 333,424</u>	<u>\$ 2,114,506</u>	<u>\$ 29,530</u>	<u>\$ 100,056</u>	<u>\$ 202,795</u>	<u>\$ 50,053</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016**

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Special Education Handicapped
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 74,993	\$ 40,362	\$ 210,513
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	43,427	182,063	0	3,688,438
Interest	0	0	0	0
Inventory Held for Resale	0	0	0	0
Total Assets	<u>\$ 43,427</u>	<u>\$ 257,056</u>	<u>\$ 40,362</u>	<u>\$ 3,898,951</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 51,290	\$ 0	\$ 12,508
Accrued Wages and Benefits	11,108	5,073	192,779	688,915
Intergovernmental Payable	3,006	5,016	2,678	144,199
Interfund Loans Payable	10,018	67,200	4,500	520,561
Total Liabilities	<u>24,132</u>	<u>128,579</u>	<u>199,957</u>	<u>1,366,183</u>
Deferred Inflows of Resources:				
Unavailable Amounts	16,829	132,413	0	2,449,214
Total Deferred Inflows of Resources	<u>16,829</u>	<u>132,413</u>	<u>0</u>	<u>2,449,214</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	2,466	0	0	83,554
Unassigned	0	(3,936)	(159,595)	0
Total Fund Balances (Deficit)	<u>2,466</u>	<u>(3,936)</u>	<u>(159,595)</u>	<u>83,554</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 43,427</u>	<u>\$ 257,056</u>	<u>\$ 40,362</u>	<u>\$ 3,898,951</u>

TOLEDO CITY SCHOOL DISTRICT

Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped	Improving Teacher Quality
\$ 0	\$ 12,100	\$ 2,307,892	\$ 45,000	\$ 7,106	\$ 382,576
0	0	0	0	0	0
0	0	2,473	0	0	0
184,380	81,923	6,421,732	0	73,144	1,906,188
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 184,380</u>	<u>\$ 94,023</u>	<u>\$ 8,732,097</u>	<u>\$ 45,000</u>	<u>\$ 80,250</u>	<u>\$ 2,288,764</u>
\$ 425	\$ 150	\$ 143,847	\$ 0	\$ 4,319	\$ 39,000
62,631	11,565	1,881,495	0	14,455	222,324
17,611	159	265,599	0	4,688	156,446
106,871	11,000	1,140,500	2,892	19,400	290,000
187,538	22,874	3,431,441	2,892	42,862	707,770
22,830	74,281	3,706,115	0	53,939	1,660,704
22,830	74,281	3,706,115	0	53,939	1,660,704
0	0	0	0	0	0
0	0	1,594,541	42,108	0	0
(25,988)	(3,132)	0	0	(16,551)	(79,710)
(25,988)	(3,132)	1,594,541	42,108	(16,551)	(79,710)
<u>\$ 184,380</u>	<u>\$ 94,023</u>	<u>\$ 8,732,097</u>	<u>\$ 45,000</u>	<u>\$ 80,250</u>	<u>\$ 2,288,764</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016**

	Miscellaneous Federal Grants	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Head Start	Total Nonmajor Special Revenue Funds
Assets:					
Cash and Cash Equivalents	\$ 190,057	\$ 741,864	\$ 0	\$ 1,880,872	\$ 24,072,840
Receivables:					
Taxes	0	0	0	0	253,604
Accounts	0	0	0	0	39,852
Intergovernmental	3,068,404	1,345,984	10,953	4,688,156	21,848,383
Interest	0	0	0	0	55,233
Inventory Held for Resale	0	0	0	0	334,760
Total Assets	\$ 3,258,461	\$ 2,087,848	\$ 10,953	\$ 6,569,028	\$ 46,604,672
Liabilities:					
Accounts Payable	\$ 97,258	\$ 177,385	\$ 0	\$ 350,006	\$ 1,846,698
Accrued Wages and Benefits	29,856	2,442	189,777	110,145	3,885,953
Intergovernmental Payable	590	807	2,672	10,385	842,627
Interfund Loans Payable	376,059	413,866	15,723	2,401,000	6,138,656
Total Liabilities	503,763	594,500	208,172	2,871,536	12,713,934
Deferred Inflows of Resources:					
Unavailable Amounts	2,725,136	1,089,684	2,329	2,781,958	14,977,812
Total Deferred Inflows of Resources	2,725,136	1,089,684	2,329	2,781,958	14,977,812
Fund Balances:					
Nonspendable	0	0	0	0	334,760
Restricted	29,562	403,664	0	915,534	19,163,203
Unassigned	0	0	(199,548)	0	(585,037)
Total Fund Balances (Deficit)	29,562	403,664	(199,548)	915,534	18,912,926
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,258,461	\$ 2,087,848	\$ 10,953	\$ 6,569,028	\$ 46,604,672



TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 984,168
Tuition	0	210,982	0	0
Food Service	600,033	0	0	0
Investment Earnings	702	0	0	37,304
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
State Sources	221,185	160,933	0	1,207,183
Federal Sources	11,189,677	1,044,788	0	0
Miscellaneous Revenue	35,656	0	1,585,442	700,000
Total Revenue	<u>12,047,253</u>	<u>1,416,703</u>	<u>1,585,442</u>	<u>2,928,655</u>
Expenditures:				
Current:				
Instruction	0	1,330,793	41,384	0
Support Services	236,019	55,403	1,567,148	3,219,706
Non-Instructional Services	11,689,066	0	0	0
Extracurricular Activities	0	0	4,475	0
Total Expenditures	<u>11,925,085</u>	<u>1,386,196</u>	<u>1,613,007</u>	<u>3,219,706</u>
Excess (Deficiency) of Revenues Over Expenditures	122,168	30,507	(27,565)	(291,051)
Other Financing Sources (Uses):				
Transfers In	0	0	210,318	0
Transfers Out	0	0	(210,360)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(42)</u>	<u>0</u>
Net Change in Fund Balances	122,168	30,507	(27,607)	(291,051)
Fund Balances (Deficits) at Beginning of Year	<u>782,959</u>	<u>650,184</u>	<u>200,310</u>	<u>13,498,126</u>
Fund Balances (Deficits) End of Year	<u>\$ 905,127</u>	<u>\$ 680,691</u>	<u>\$ 172,703</u>	<u>\$ 13,207,075</u>

TOLEDO CITY SCHOOL DISTRICT

Administratively Managed Student Activity	Auxiliary Services Program	Management Information System	Public School Preschool	Data Communication	Vocational Education Enhancement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	24,102	0	0
0	0	0	0	0	0
1,688	5,713	0	0	0	0
381,611	0	0	0	0	0
2,412	0	0	0	0	0
0	3,171,674	0	342,396	100,396	43,164
0	0	0	0	0	0
44,972	0	0	0	0	1,200
<u>430,683</u>	<u>3,177,387</u>	<u>0</u>	<u>366,498</u>	<u>100,396</u>	<u>44,364</u>
2,490	1,633	0	275,638	0	0
0	152,277	0	139,888	124,997	28,838
0	2,907,697	0	0	0	0
488,145	0	0	0	0	0
<u>490,635</u>	<u>3,061,607</u>	<u>0</u>	<u>415,526</u>	<u>124,997</u>	<u>28,838</u>
(59,952)	115,780	0	(49,028)	(24,601)	15,526
119,202	1,516	0	0	0	0
(813)	(122)	0	0	0	0
<u>118,389</u>	<u>1,394</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
58,437	117,174	0	(49,028)	(24,601)	15,526
246,822	961,560	29,530	(47,549)	43,094	13,396
<u>\$ 305,259</u>	<u>\$ 1,078,734</u>	<u>\$ 29,530</u>	<u>\$ (96,577)</u>	<u>\$ 18,493</u>	<u>\$ 28,922</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016**

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Special Education Handicapped
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0
Food Service	0	0	0	0
Investment Earnings	0	0	0	0
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
State Sources	214,321	185,849	0	0
Federal Sources	0	0	0	7,017,864
Miscellaneous Revenue	0	0	0	0
Total Revenue	214,321	185,849	0	7,017,864
Expenditures:				
Current:				
Instruction	101,148	59,837	176,873	4,029,715
Support Services	96,954	138,769	0	1,740,709
Non-Instructional Services	0	0	0	343,954
Extracurricular Activities	0	0	0	0
Total Expenditures	198,102	198,606	176,873	6,114,378
Excess (Deficiency) of Revenues Over Expenditures	16,219	(12,757)	(176,873)	903,486
Other Financing Sources (Uses):				
Transfers In	3,764	0	27,480	117
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	3,764	0	27,480	117
Net Change in Fund Balances	19,983	(12,757)	(149,393)	903,603
Fund Balances (Deficits) at Beginning of Year	(17,517)	8,821	(10,202)	(820,049)
Fund Balances (Deficits) End of Year	\$ 2,466	\$ (3,936)	\$ (159,595)	\$ 83,554

TOLEDO CITY SCHOOL DISTRICT

Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped	Improving Teacher Quality
\$ 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	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,061,380	77,289	17,121,162	0	315,817	2,088,702
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,061,380</u>	<u>77,289</u>	<u>17,121,162</u>	<u>0</u>	<u>315,817</u>	<u>2,088,702</u>
302,273	4,562	8,247,825	0	107,791	1,079,876
597,370	60,468	5,860,249	0	110,739	646,044
0	0	482,072	0	0	67,412
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>899,643</u>	<u>65,030</u>	<u>14,590,146</u>	<u>0</u>	<u>218,530</u>	<u>1,793,332</u>
161,737	12,259	2,531,016	0	97,287	295,370
6	0	655	0	0	1
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6</u>	<u>0</u>	<u>655</u>	<u>0</u>	<u>0</u>	<u>1</u>
161,743	12,259	2,531,671	0	97,287	295,371
<u>(187,731)</u>	<u>(15,391)</u>	<u>(937,130)</u>	<u>42,108</u>	<u>(113,838)</u>	<u>(375,081)</u>
<u>\$ (25,988)</u>	<u>\$ (3,132)</u>	<u>\$ 1,594,541</u>	<u>\$ 42,108</u>	<u>\$ (16,551)</u>	<u>\$ (79,710)</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016**

	Miscellaneous Federal Grants	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Head Start	Total Nonmajor Special Revenue Funds
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 984,168
Tuition	0	0	0	0	235,084
Food Service	0	0	0	0	600,033
Investment Earnings	0	0	0	0	45,407
Extracurricular Activities	0	0	0	0	381,611
Classroom Materials and Fees	0	0	0	0	2,412
State Sources	0	0	0	0	5,647,101
Federal Sources	1,390,128	1,005,503	191,632	7,720,451	50,224,393
Miscellaneous Revenue	0	0	0	0	2,367,270
Total Revenue	1,390,128	1,005,503	191,632	7,720,451	60,487,479
Expenditures:					
Current:					
Instruction	683,830	550,233	0	0	16,995,901
Support Services	577,148	490,176	29,051	100,622	15,972,575
Non-Instructional Services	9,000	0	0	8,270,453	23,769,654
Extracurricular Activities	0	0	0	0	492,620
Total Expenditures	1,269,978	1,040,409	29,051	8,371,075	57,230,750
Excess (Deficiency) of Revenues Over Expenditures	120,150	(34,906)	162,581	(650,624)	3,256,729
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	363,059
Transfers Out	0	0	0	0	(211,295)
Total Other Financing Sources (Uses)	0	0	0	0	151,764
Net Change in Fund Balances	120,150	(34,906)	162,581	(650,624)	3,408,493
Fund Balances (Deficits) at Beginning of Year	(90,588)	438,570	(362,129)	1,566,158	15,504,433
Fund Balances (Deficits) End of Year	\$ 29,562	\$ 403,664	\$ (199,548)	\$ 915,534	\$ 18,912,926

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016**

	Permanent Improvement	Locally Funded Initiative	Classroom Facilities	Total Nonmajor Capital Projects Funds
Assets:				
Cash and Cash Equivalents	\$ 1,262,671	\$ 8,356	\$ 27,530,205	\$ 28,801,232
Cash with Fiscal Agent	115,554	0	0	115,554
Receivables:				
Taxes	3,503,493	0	0	3,503,493
Accounts	2,200	0	0	2,200
Interest	2,769	1,047	103,809	107,625
Total Assets	<u>\$ 4,886,687</u>	<u>\$ 9,403</u>	<u>\$ 27,634,014</u>	<u>\$ 32,530,104</u>
Liabilities:				
Accounts Payable	\$ 461,476	\$ 0	\$ 17,877,930	\$ 18,339,406
Retainage Payable	115,554	0	0	115,554
Interfund Loans Payable	3,000,000	0	0	3,000,000
Total Liabilities	<u>3,577,030</u>	<u>0</u>	<u>17,877,930</u>	<u>21,454,960</u>
Deferred Inflows of Resources:				
Unavailable Amounts	481,944	0	0	481,944
Property Tax for Next Fiscal Year	2,742,682	0	0	2,742,682
Total Deferred Inflows of Resources	<u>3,224,626</u>	<u>0</u>	<u>0</u>	<u>3,224,626</u>
Fund Balances:				
Restricted	0	9,403	9,756,084	9,765,487
Unassigned	(1,914,969)	0	0	(1,914,969)
Total Fund Balances	<u>(1,914,969)</u>	<u>9,403</u>	<u>9,756,084</u>	<u>7,850,518</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,886,687</u>	<u>\$ 9,403</u>	<u>\$ 27,634,014</u>	<u>\$ 32,530,104</u>

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016**

	Permanent Improvement	Locally Funded Initiative	Classroom Facilities	Total Nonmajor Capital Projects Funds
Revenues:				
Taxes	\$ 3,083,054	\$ 0	\$ 0	\$ 3,083,054
Investment Earnings	(1,403)	(5,281)	85,937	79,253
State Sources	159,516	0	0	159,516
Miscellaneous Revenue	2,200	0	0	2,200
Total Revenue	<u>3,243,367</u>	<u>(5,281)</u>	<u>85,937</u>	<u>3,324,023</u>
Expenditures:				
Current:				
Instruction	158,156	0	0	158,156
Supporting Services	1,305,982	0	0	1,305,982
Capital Outlay	4,156,253	732,301	0	4,888,554
Total Expenditures	<u>5,620,391</u>	<u>732,301</u>	<u>0</u>	<u>6,352,692</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,377,024)	(737,582)	85,937	(3,028,669)
Fund Balances at Beginning of Year	<u>462,055</u>	<u>746,985</u>	<u>9,670,147</u>	<u>10,879,187</u>
Fund Balances (Deficit) End of Year	<u>\$ (1,914,969)</u>	<u>\$ 9,403</u>	<u>\$ 9,756,084</u>	<u>\$ 7,850,518</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2016***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 367,753,233</u>	<u>\$ 367,756,233</u>	<u>\$ 367,787,979</u>	<u>\$ 31,746</u>
Total Expenditures and Other Financing Uses	<u>378,165,338</u>	<u>364,147,290</u>	<u>370,361,714</u>	<u>(6,214,424)</u>
Net Change in Fund Balance	(10,412,105)	3,608,943	(2,573,735)	(6,182,678)
Fund Balance at Beginning of Year	36,147,726	36,147,726	36,147,726	0
Prior Year Encumbrances	<u>11,016,100</u>	<u>11,016,100</u>	<u>11,016,100</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,751,721</u>	<u>\$ 50,772,769</u>	<u>\$ 44,590,091</u>	<u>\$ (6,182,678)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,015,363</u>	<u>\$ 11,592,458</u>	<u>\$ (422,905)</u>
Total Expenditures and Other Financing Uses	<u>12,212,770</u>	<u>11,792,219</u>	<u>420,551</u>
Net Change in Fund Balance	(197,407)	(199,761)	(2,354)
Fund Balance at Beginning of Year	596,061	596,061	0
Prior Year Encumbrances	<u>371,003</u>	<u>371,003</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 769,657</u>	<u>\$ 767,303</u>	<u>\$ (2,354)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 665,250</u>	<u>\$ 186,595</u>	<u>\$ (478,655)</u>
Total Expenditures and Other Financing Uses	<u>811,331</u>	<u>189,840</u>	<u>621,491</u>
Net Change in Fund Balance	(146,081)	(3,245)	142,836
Fund Balance at Beginning of Year	505,246	505,246	0
Prior Year Encumbrances	<u>35,456</u>	<u>35,456</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 394,621</u>	<u>\$ 537,457</u>	<u>\$ 142,836</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 259,153</u>	<u>\$ 69,477</u>	<u>\$ (189,676)</u>
Total Expenditures and Other Financing Uses	<u>305,364</u>	<u>82,703</u>	<u>222,661</u>
Net Change in Fund Balance	(46,211)	(13,226)	32,985
Fund Balance at Beginning of Year	106,013	106,013	0
Prior Year Encumbrances	<u>20,718</u>	<u>20,718</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 80,520</u>	<u>\$ 113,505</u>	<u>\$ 32,985</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,500,723</u>	<u>\$ 1,418,734</u>	<u>\$ (81,989)</u>
Total Expenditures and Other Financing Uses	<u>1,500,656</u>	<u>1,396,787</u>	<u>103,869</u>
Net Change in Fund Balance	67	21,947	21,880
Fund Balance at Beginning of Year	653,438	653,438	0
Prior Year Encumbrances	<u>21,112</u>	<u>21,112</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 674,617</u>	<u>\$ 696,497</u>	<u>\$ 21,880</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,242,160</u>	<u>\$ 264,519</u>	<u>\$ (977,641)</u>
Total Expenditures and Other Financing Uses	<u>1,343,748</u>	<u>329,821</u>	<u>1,013,927</u>
Net Change in Fund Balance	(101,588)	(65,302)	36,286
Fund Balance at Beginning of Year	516,870	516,870	0
Prior Year Encumbrances	<u>39,240</u>	<u>39,240</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 454,522</u>	<u>\$ 490,808</u>	<u>\$ 36,286</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,667,247</u>	<u>\$ 1,796,345</u>	<u>\$ 129,098</u>
Total Expenditures and Other Financing Uses	<u>1,900,997</u>	<u>1,968,354</u>	<u>(67,357)</u>
Net Change in Fund Balance	(233,750)	(172,009)	61,741
Fund Balance at Beginning of Year	337,137	337,137	0
Prior Year Encumbrances	<u>33,187</u>	<u>33,187</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 136,574</u>	<u>\$ 198,315</u>	<u>\$ 61,741</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

SCHOOL FACILITIES MAINTENANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,912,375</u>	<u>\$ 2,912,375</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>13,253,307</u>	<u>3,980,090</u>	<u>9,273,217</u>
Net Change in Fund Balance	(10,340,932)	(1,067,715)	9,273,217
Fund Balance at Beginning of Year	5,456,125	5,456,125	0
Prior Year Encumbrances	<u>8,178,866</u>	<u>8,178,866</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,294,059</u>	<u>\$ 12,567,276</u>	<u>\$ 9,273,217</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,013,590</u>	<u>\$ 549,446</u>	<u>\$ (464,144)</u>
Total Expenditures and Other Financing Uses	<u>1,362,584</u>	<u>556,033</u>	<u>806,551</u>
Net Change in Fund Balance	(348,994)	(6,587)	342,407
Fund Balance at Beginning of Year	230,889	230,889	0
Prior Year Encumbrances	<u>45,950</u>	<u>45,950</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (72,155)</u>	<u>\$ 270,252</u>	<u>\$ 342,407</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,171,674</u>	<u>\$ 3,735,994</u>	<u>\$ 564,320</u>
Total Expenditures and Other Financing Uses	<u>4,740,809</u>	<u>4,697,893</u>	<u>42,916</u>
Net Change in Fund Balance	(1,569,135)	(961,899)	607,236
Fund Balance at Beginning of Year	1,286,597	1,286,597	0
Prior Year Encumbrances	<u>1,354,320</u>	<u>1,354,320</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,071,782</u>	<u>\$ 1,679,018</u>	<u>\$ 607,236</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

MANAGEMENT INFORMATION SYSTEM FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>29,530</u>	<u>29,530</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,530</u>	<u>\$ 29,530</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 461,952</u>	<u>\$ 463,240</u>	<u>\$ 1,288</u>
Total Expenditures and Other Financing Uses	<u>467,506</u>	<u>578,325</u>	<u>(110,819)</u>
Net Change in Fund Balance	(5,554)	(115,085)	(109,531)
Fund Balance at Beginning of Year	25,251	25,251	0
Prior Year Encumbrances	<u>86,222</u>	<u>86,222</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 105,919</u>	<u>\$ (3,612)</u>	<u>\$ (109,531)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

DATA COMMUNICATION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 207,108</u>	<u>\$ 264,720</u>	<u>\$ 57,612</u>
Total Expenditures and Other Financing Uses	<u>352,734</u>	<u>412,003</u>	<u>(59,269)</u>
Net Change in Fund Balance	(145,626)	(147,283)	(1,657)
Fund Balance at Beginning of Year	16,320	16,320	0
Prior Year Encumbrances	<u>237,651</u>	<u>237,651</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 108,345</u>	<u>\$ 106,688</u>	<u>\$ (1,657)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 50,699</u>	<u>\$ 46,057</u>	<u>\$ (4,642)</u>
Total Expenditures and Other Financing Uses	<u>52,019</u>	<u>50,071</u>	<u>1,948</u>
Net Change in Fund Balance	(1,320)	(4,014)	(2,694)
Fund Balance at Beginning of Year	14,045	14,045	0
Prior Year Encumbrances	<u>10,288</u>	<u>10,288</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,013</u>	<u>\$ 20,319</u>	<u>\$ (2,694)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 231,150</u>	<u>\$ 201,237</u>	<u>\$ (29,913)</u>
Total Expenditures and Other Financing Uses	<u>232,794</u>	<u>200,967</u>	<u>31,827</u>
Net Change in Fund Balance	(1,644)	270	1,914
Fund Balance at Beginning of Year	<u>(623)</u>	<u>(623)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,267)</u>	<u>\$ (353)</u>	<u>\$ 1,914</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 294,334</u>	<u>\$ 203,225</u>	<u>\$ (91,109)</u>
Total Expenditures and Other Financing Uses	<u>288,902</u>	<u>202,276</u>	<u>86,626</u>
Net Change in Fund Balance	5,432	949	(4,483)
Fund Balance at Beginning of Year	<u>21,976</u>	<u>21,976</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,408</u>	<u>\$ 22,925</u>	<u>\$ (4,483)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	RACE TO THE TOP FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 333,270</u>	<u>\$ 365,250</u>	<u>\$ 31,980</u>
Total Expenditures and Other Financing Uses	<u>295,544</u>	<u>435,825</u>	<u>(140,281)</u>
Net Change in Fund Balance	37,726	(70,575)	(108,301)
Fund Balance at Beginning of Year	43,603	43,603	0
Prior Year Encumbrances	<u>67,334</u>	<u>67,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 148,663</u>	<u>\$ 40,362</u>	<u>\$ (108,301)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 9,467,078</u>	<u>\$ 6,298,807</u>	<u>\$ (3,168,271)</u>
Total Expenditures and Other Financing Uses	<u>9,482,314</u>	<u>6,459,219</u>	<u>3,023,095</u>
Net Change in Fund Balance	(15,236)	(160,412)	(145,176)
Fund Balance at Beginning of Year	97,765	97,765	0
Prior Year Encumbrances	<u>207,645</u>	<u>207,645</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 290,174</u>	<u>\$ 144,998</u>	<u>\$ (145,176)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,084,210</u>	<u>\$ 967,336</u>	<u>\$ (116,874)</u>
Total Expenditures and Other Financing Uses	<u>1,038,893</u>	<u>996,863</u>	<u>42,030</u>
Net Change in Fund Balance	45,317	(29,527)	(74,844)
Fund Balance at Beginning of Year	(5,446)	(5,446)	0
Prior Year Encumbrances	<u>29,721</u>	<u>29,721</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 69,592</u>	<u>\$ (5,252)</u>	<u>\$ (74,844)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 151,570</u>	<u>\$ 80,647</u>	<u>\$ (70,923)</u>
Total Expenditures and Other Financing Uses	<u>146,947</u>	<u>80,396</u>	<u>66,551</u>
Net Change in Fund Balance	4,623	251	(4,372)
Fund Balance at Beginning of Year	3,051	3,051	0
Prior Year Encumbrances	<u>1,466</u>	<u>1,466</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 9,140</u></u>	<u><u>\$ 4,768</u></u>	<u><u>\$ (4,372)</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 20,827,277</u>	<u>\$ 15,546,700</u>	<u>\$ (5,280,577)</u>
Total Expenditures and Other Financing Uses	<u>20,630,723</u>	<u>16,074,211</u>	<u>4,556,512</u>
Net Change in Fund Balance	196,554	(527,511)	(724,065)
Fund Balance at Beginning of Year	2,148,845	2,148,845	0
Prior Year Encumbrances	<u>456,134</u>	<u>456,134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,801,533</u>	<u>\$ 2,077,468</u>	<u>\$ (724,065)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

DRUG FREE SCHOOL GRANTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 369,756</u>	<u>\$ 316,012</u>	<u>\$ (53,744)</u>
Total Expenditures and Other Financing Uses	<u>325,316</u>	<u>390,665</u>	<u>(65,349)</u>
Net Change in Fund Balance	44,440	(74,653)	(119,093)
Fund Balance at Beginning of Year	6,662	6,662	0
Prior Year Encumbrances	<u>70,911</u>	<u>70,911</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 122,013</u>	<u>\$ 2,920</u>	<u>\$ (119,093)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,749,406</u>	<u>\$ 2,133,219</u>	<u>\$ (1,616,187)</u>
Total Expenditures and Other Financing Uses	<u>3,701,651</u>	<u>2,144,920</u>	<u>1,556,731</u>
Net Change in Fund Balance	47,755	(11,701)	(59,456)
Fund Balance at Beginning of Year	74,503	74,503	0
Prior Year Encumbrances	<u>98,879</u>	<u>98,879</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 221,137</u>	<u>\$ 161,681</u>	<u>\$ (59,456)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

MISCELLANEOUS FEDERAL GRANTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 4,251,181</u>	<u>\$ 1,477,526</u>	<u>\$ (2,773,655)</u>
Total Expenditures and Other Financing Uses	<u>4,177,004</u>	<u>1,753,071</u>	<u>2,423,933</u>
Net Change in Fund Balance	74,177	(275,545)	(349,722)
Fund Balance at Beginning of Year	17,279	17,279	0
Prior Year Encumbrances	<u>263,544</u>	<u>263,544</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 355,000</u>	<u>\$ 5,278</u>	<u>\$ (349,722)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,095,187</u>	<u>\$ 1,082,203</u>	<u>\$ (1,012,984)</u>
Total Expenditures and Other Financing Uses	<u>2,099,270</u>	<u>1,117,104</u>	<u>982,166</u>
Net Change in Fund Balance	(4,083)	(34,901)	(30,818)
Fund Balance at Beginning of Year	538,911	538,911	0
Prior Year Encumbrances	<u>35,901</u>	<u>35,901</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 570,729</u></u>	<u><u>\$ 539,911</u></u>	<u><u>\$ (30,818)</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 122,874</u>	<u>\$ 121,421</u>	<u>\$ (1,453)</u>
Total Expenditures and Other Financing Uses	<u>178,765</u>	<u>138,498</u>	<u>40,267</u>
Net Change in Fund Balance	(55,891)	(17,077)	38,814
Fund Balance at Beginning of Year	(11,191)	(11,191)	0
Prior Year Encumbrances	<u>12,730</u>	<u>12,730</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (54,352)</u>	<u>\$ (15,538)</u>	<u>\$ 38,814</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016***

	HEAD START FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 12,553,411</u>	<u>\$ 9,896,906</u>	<u>\$ (2,656,505)</u>
Total Expenditures and Other Financing Uses	<u>12,521,009</u>	<u>11,435,134</u>	<u>1,085,875</u>
Net Change in Fund Balance	32,402	(1,538,228)	(1,570,630)
Fund Balance at Beginning of Year	24,011	24,011	0
Prior Year Encumbrances	<u>1,616,760</u>	<u>1,616,760</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,673,173</u>	<u>\$ 102,543</u>	<u>\$ (1,570,630)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 36,852,337</u>	<u>\$ 36,667,101</u>	<u>\$ (185,236)</u>
Total Expenditures and Other Financing Uses	<u>37,055,566</u>	<u>37,054,404</u>	<u>1,162</u>
Net Change in Fund Balance	(203,229)	(387,303)	(184,074)
Fund Balance at Beginning of Year	<u>3,691,569</u>	<u>3,691,569</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,488,340</u>	<u>\$ 3,304,266</u>	<u>\$ (184,074)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,971,670</u>	<u>\$ 6,151,616</u>	<u>\$ 3,179,946</u>
Total Expenditures and Other Financing Uses	<u>5,708,733</u>	<u>8,310,183</u>	<u>(2,601,450)</u>
Net Change in Fund Balance	(2,737,063)	(2,158,567)	578,496
Fund Balance at Beginning of Year	5,431	5,431	0
Prior Year Encumbrances	<u>2,258,225</u>	<u>2,258,225</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (473,407)</u>	<u>\$ 105,089</u>	<u>\$ 578,496</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,028</u>	<u>\$ 1,028</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>824,859</u>	<u>816,565</u>	<u>8,294</u>
Net Change in Fund Balance	(823,831)	(815,537)	8,294
Fund Balance at Beginning of Year	207,084	207,084	0
Prior Year Encumbrances	<u>617,323</u>	<u>617,323</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 576</u>	<u>\$ 8,870</u>	<u>\$ 8,294</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 101,977</u>	<u>\$ 101,977</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>18,500,000</u>	<u>18,500,000</u>	<u>0</u>
Net Change in Fund Balance	(18,398,023)	(18,398,023)	0
Fund Balance at Beginning of Year	8,979,218	8,979,218	0
Prior Year Encumbrances	<u>18,500,000</u>	<u>18,500,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,081,195</u>	<u>\$ 9,081,195</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 13,370</u>	<u>\$ 3,170</u>	<u>\$ (10,200)</u>
Total Expenditures and Other Financing Uses	<u>26,100</u>	<u>627</u>	<u>25,473</u>
Net Change in Fund Balance	(12,730)	2,543	15,273
Fund Balance at Beginning of Year	<u>734,226</u>	<u>734,226</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 721,496</u>	<u>\$ 736,769</u>	<u>\$ 15,273</u>



Internal Service Funds

Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the District on a cost-reimbursement basis.

Rotary Fund

To account for operations that provide goods and services provided by the District.

Intra-District Services Fund

To account for operations that provide goods and/or services to other areas within the District.

Health Insurance Fund

To account for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision or any other similar employee benefit.

Computer Network-Class A Fund

To account for the operations of Class 'A' sites of the computer network of the Department of Education

Workers' Compensation Fund

To account for receipts and expenditures with regard to Workers' Compensation Self Insurance.

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Net Position
Internal Service Funds
June 30, 2016**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
Assets:				
Cash and Cash Equivalents	\$ 6,020	\$ 1,229,485	\$ 12,661,691	\$ 9,202
Receivables:				
Accounts	0	138,707	308	0
Intergovernmental	0	4,420	0	0
Interest	0	0	40,466	0
Total Assets	<u>6,020</u>	<u>1,372,612</u>	<u>12,702,465</u>	<u>9,202</u>
Liabilities:				
Accounts Payable	0	37,670	2,373,677	0
Accrued Wages and Benefits	0	0	5,472,800	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>37,670</u>	<u>7,846,477</u>	<u>0</u>
Net Position:				
Unrestricted (Deficit)	6,020	1,334,942	4,855,988	9,202
Total Net Position	<u>\$ 6,020</u>	<u>\$ 1,334,942</u>	<u>\$ 4,855,988</u>	<u>\$ 9,202</u>

TOLEDO CITY SCHOOL DISTRICT

Workers' Compensation	Payroll Liabilites	Total
\$ 1,914,947	\$ 0	\$ 15,821,345
5,572	0	144,587
28	0	4,448
10,706	0	51,172
<u>1,931,253</u>	<u>0</u>	<u>16,021,552</u>
0	0	2,411,347
0	0	5,472,800
265,748	0	265,748
0	228	228
<u>265,748</u>	<u>228</u>	<u>8,150,123</u>
1,665,505	(228)	7,871,429
<u>\$ 1,665,505</u>	<u>\$ (228)</u>	<u>\$ 7,871,429</u>

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
Operating Revenues:				
Interfund Charges	\$ 0	\$ 560,877	\$ 53,066,094	\$ 0
Total Operating Revenues	<u>0</u>	<u>560,877</u>	<u>53,066,094</u>	<u>0</u>
Operating Expenses:				
Personal Services	0	0	46,281,871	0
Purchased Services	0	276,143	3,456,684	0
Supplies and Materials	0	166,254	0	0
Total Operating Expenses	<u>0</u>	<u>442,397</u>	<u>49,738,555</u>	<u>0</u>
Operating Income (Loss)	0	118,480	3,327,539	0
Nonoperating Revenue (Expenses):				
Investment Earnings	0	0	46,264	0
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>46,264</u>	<u>0</u>
Change in Net Position	0	118,480	3,373,803	0
Net Position Beginning of Year	6,020	1,216,462	1,482,185	9,202
Net Position End of Year	<u>\$ 6,020</u>	<u>\$ 1,334,942</u>	<u>\$ 4,855,988</u>	<u>\$ 9,202</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Workers'</u> <u>Compensation</u>	<u>Payroll Liabilites</u>	<u>Total</u>
\$ 878,912	\$ 0	\$ 54,505,883
<u>878,912</u>	<u>0</u>	<u>54,505,883</u>
1,281,617	0	47,563,488
55,400	228	3,788,455
0	0	166,254
<u>1,337,017</u>	<u>228</u>	<u>51,518,197</u>
(458,105)	(228)	2,987,686
9,873	0	56,137
<u>9,873</u>	<u>0</u>	<u>56,137</u>
(448,232)	(228)	3,043,823
<u>2,113,737</u>	<u>0</u>	<u>4,827,606</u>
<u>\$ 1,665,505</u>	<u>\$ (228)</u>	<u>\$ 7,871,429</u>

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016***

	Rotary	Intra-District Services	Health Insurance
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	\$0	\$553,097	\$53,066,094
Cash Payments to Employees for Services and Benefits	0	(393,601)	(48,330,555)
Net Cash Provided (Used) by Operating Activities	0	159,496	4,735,539
<u>Cash Flows from Noncapital Financing Activities:</u>			
Advances In From Other Funds	0	0	0
Net Cash Provided by Noncapital Financing Activities	0	0	0
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	0	20,365
Net Cash Provided by Investing Activities	0	0	20,365
Net Increase (Decrease) in Cash and Cash Equivalents	0	159,496	4,755,904
Cash and Cash Equivalents at Beginning of Year	6,020	1,069,989	7,905,787
Cash and Cash Equivalents at End of Year	\$6,020	\$1,229,485	\$12,661,691
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$0	\$118,480	\$3,327,539
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	0	13,755	149
Decrease in Intergovernmental Receivables	0	3,453	0
Increase (Decrease) in Accounts Payable	0	23,808	1,569,651
Decrease in Accrued Wages and Benefits	0	0	(161,800)
Decrease in Intergovernmental Payables	0	0	0
Total Adjustments	0	41,016	1,408,000
Net Cash Provided (Used) by Operating Activities	\$0	\$159,496	\$4,735,539

During 2016 the fair value of investments decreased by \$19,877 and \$5,259 in the Health Insurance and Workers' Compensation Funds, respectively.

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

Computer Network- Class A	Workers' Compensation	Payroll Liabilities	Total
\$0	\$878,912	\$0	\$54,498,103
0	(1,553,602)	(228)	(50,277,986)
0	(674,690)	(228)	4,220,117
0	0	228	228
0	0	228	228
0	5,470	0	25,835
0	5,470	0	25,835
0	(669,220)	0	4,246,180
9,202	2,584,167	0	11,575,165
\$9,202	\$1,914,947	\$0	\$15,821,345
\$0	(\$458,105)	(\$228)	\$2,987,686
0	(218)	0	13,686
0	0	0	3,453
0	(5,000)	0	1,588,459
0	0	0	(161,800)
0	(211,367)	0	(211,367)
0	(216,585)	0	1,232,431
\$0	(\$674,690)	(\$228)	\$4,220,117

Fiduciary Fund

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

Agency Fund

Student Managed Activity Fund

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. The fund typically includes those student activities that consist of a student body, student president, student treasurer, and faculty advisor.

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2016***

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<i>Student Managed Activity Fund</i>				
Assets:				
Cash and Cash Equivalents	\$202,029	\$180,463	(\$202,029)	\$180,463
Accounts Receivable	4,526	0	(4,526)	0
Interest Receivable	750	1,108	(750)	1,108
Total Assets	<u>\$207,305</u>	<u>\$181,571</u>	<u>(\$207,305)</u>	<u>\$181,571</u>
Liabilities:				
Accounts Payable	\$25,438	\$4,424	(\$25,438)	\$4,424
Intergovernmental Payable	495	0	(495)	0
Due to Students	181,372	177,147	(181,372)	177,147
Total Liabilities	<u>\$207,305</u>	<u>\$181,571</u>	<u>(\$207,305)</u>	<u>\$181,571</u>



STATISTICAL SECTION



Toledo Public Schools

STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 12 – S 19
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, the property tax.	
Debt Capacity	S 20 – S 27
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 45
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

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

Toledo Public School District

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities				
Net Investment in Capital Assets	\$248,239,325	\$273,164,202	\$319,887,466	\$295,429,243
Restricted for:				
Capital Projects	361,944,025	317,693,258	169,137,197	217,877,292
Debt Service	12,115,936	14,372,972	11,705,745	5,725,901
Permanent Funds:				
Expendable	341,333	350,204	343,688	330,522
Nonexpendable	502,291	503,291	503,291	503,291
Other Purposes	17,864,571	18,876,850	39,034,091	18,185,213
Unrestricted (Deficit)	<u>(15,174,793)</u>	<u>(19,858,790)</u>	<u>(56,323,121)</u>	<u>(39,755,783)</u>
Total Governmental Activities Net Position	<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>	<u>\$498,295,679</u>
 Primary Government				
Net Investment in Capital Assets	\$248,239,325	\$273,164,202	\$319,887,466	\$295,429,243
Restricted	392,768,156	351,796,575	220,724,012	242,622,219
Unrestricted (Deficit)	<u>(15,174,793)</u>	<u>(19,858,790)</u>	<u>(56,323,121)</u>	<u>(39,755,783)</u>
Total Primary Government Net Position	<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>	<u>\$498,295,679</u>

Source: District Treasurer's Office

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$356,044,033	\$391,566,146	\$403,716,045	\$399,196,714	\$397,688,562	\$394,848,405
135,580,227	64,306,216	25,562,136	14,538,912	11,414,880	8,332,462
6,055,588	5,413,569	5,033,770	3,533,300	5,589,194	5,288,828
309,119	293,603	264,040	234,188	232,740	236,247
503,291	503,291	503,291	635,992	503,291	503,291
15,138,459	23,724,299	26,904,962	27,516,635	33,192,023	33,366,822
(4,891,597)	4,190,775	11,218,263	27,695,386	(319,997,488)	(303,704,237)
<u>\$508,739,120</u>	<u>\$489,997,899</u>	<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>	<u>\$138,871,818</u>
\$356,044,033	\$391,566,146	\$403,716,045	\$399,196,714	\$397,688,562	\$394,848,405
157,586,684	94,240,978	58,268,199	46,459,027	50,932,128	47,727,650
(4,891,597)	4,190,775	11,218,263	27,695,386	(319,997,488)	(303,704,237)
<u>\$508,739,120</u>	<u>\$489,997,899</u>	<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>	<u>\$138,871,818</u>

Toledo Public School District

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

	2007	2008	2009	2010
Expenses				
Governmental Activities				
Instruction	\$189,552,656	\$263,193,272	\$261,800,004	\$247,655,446
Support Services	133,079,110	133,764,377	135,291,670	132,178,983
Non-Instructional Services	27,648,071	25,644,073	26,726,017	23,329,071
Extracurricular Activities	4,242,542	5,107,505	5,471,234	5,397,381
Interest and Fiscal Charges	6,991,726	6,919,481	6,958,983	8,249,037
<i>Total Primary Government Expenses</i>	<u>\$361,514,105</u>	<u>\$434,628,708</u>	<u>\$436,247,908</u>	<u>\$416,809,918</u>
Program Revenues				
Charges for Services				
Instruction	\$6,053,787	\$5,290,951	\$4,023,645	\$2,818,840
Support Services	13,630,186	13,775,626	16,187,742	11,539,081
Extracurricular Activities	3,042,679	2,777,125	2,731,369	2,467,675
Operating Grants and Contributions	89,840,113	95,387,363	102,234,262	71,728,806
Capital Grants and Contributions	241,467	0	0	0
<i>Total Primary Government Program Revenues</i>	<u>112,808,232</u>	<u>117,231,065</u>	<u>125,177,018</u>	<u>88,554,402</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(248,705,873)</u>	<u>(317,397,643)</u>	<u>(311,070,890)</u>	<u>(328,255,516)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$248,705,873)</u>	<u>(\$317,397,643)</u>	<u>(\$311,070,890)</u>	<u>(\$328,255,516)</u>

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$260,842,406	\$236,207,897	\$253,504,953	\$248,414,449	\$246,372,454	\$266,665,914
121,820,020	114,249,054	113,119,827	112,950,654	114,915,707	120,830,538
25,822,082	16,957,213	18,046,982	16,218,267	18,785,625	29,007,085
3,563,783	2,387,172	2,245,368	2,759,367	3,249,709	3,175,089
6,327,517	6,815,825	7,305,050	5,379,439	6,003,602	6,222,235
<u>\$418,375,808</u>	<u>\$376,617,161</u>	<u>\$394,222,180</u>	<u>\$385,722,176</u>	<u>\$389,327,097</u>	<u>\$425,900,861</u>
\$2,738,592	\$2,153,120	\$2,868,817	\$1,972,228	\$2,516,440	\$2,336,190
10,155,473	8,424,558	7,956,396	6,920,620	7,041,992	5,810,515
1,973,018	1,457,008	1,537,986	1,597,357	1,183,810	2,197,356
74,429,919	46,905,184	49,415,641	43,841,888	64,885,961	53,962,546
0	13,271,422	957,329	1,579,317	80,091	160,716
<u>89,297,002</u>	<u>72,211,292</u>	<u>62,736,169</u>	<u>55,911,410</u>	<u>75,708,294</u>	<u>64,467,323</u>
<u>(329,078,806)</u>	<u>(304,405,869)</u>	<u>(331,486,011)</u>	<u>(329,810,766)</u>	<u>(313,618,803)</u>	<u>(361,433,538)</u>
<u>(\$329,078,806)</u>	<u>(\$304,405,869)</u>	<u>(\$331,486,011)</u>	<u>(\$329,810,766)</u>	<u>(\$313,618,803)</u>	<u>(\$361,433,538)</u>

(Continued)

Toledo Public School District

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

	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$99,468,836	\$89,303,614	\$93,183,415	\$91,408,483
Special Purposes	1,196,598	1,099,423	1,151,977	1,062,637
Debt Service	12,429,284	11,056,591	11,305,429	8,089,438
Capital Outlay	4,410,854	3,984,819	4,034,149	5,586,245
Grants and Entitlements not Restricted to Specific Programs	183,776,457	181,133,225	193,207,018	233,261,864
Investment Earnings	11,334,119	9,683,086	4,587,198	2,590,626
Miscellaneous	162,244	406,184	102,225	263,545
Sale of Capital Assets	0	0	0	0
<i>Total Primary Government</i>	<u>\$312,778,392</u>	<u>\$296,666,942</u>	<u>\$307,571,411</u>	<u>\$342,262,838</u>
Change in Net Position				
Governmental Activities	<u>\$64,072,519</u>	<u>(\$20,730,701)</u>	<u>(\$3,499,479)</u>	<u>\$14,007,322</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$64,072,519</u>	<u>(\$20,730,701)</u>	<u>(\$3,499,479)</u>	<u>\$14,007,322</u>

Source: District Treasurer's Office

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$95,606,344	\$74,414,156	\$83,422,448	\$81,819,809	\$93,981,026	\$95,497,720
1,002,932	1,026,037	971,092	923,745	969,039	984,168
9,129,011	9,098,250	9,522,686	9,606,512	9,969,733	10,040,115
1,432,954	0	0	0	1,675,792	3,083,054
232,087,828	200,779,485	220,217,972	236,669,842	234,601,655	260,941,893
(398,979)	336,955	261,490	15,820	417,843	401,210
662,157	9,765	294,931	233,596	859,051	733,994
0	0	0	690,062	0	0
<u>\$339,522,247</u>	<u>\$285,664,648</u>	<u>\$314,690,619</u>	<u>\$329,959,386</u>	<u>\$342,474,139</u>	<u>\$371,682,154</u>
<u>\$10,443,441</u>	<u>(\$18,741,221)</u>	<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>	<u>\$10,248,616</u>
<u>\$10,443,441</u>	<u>(\$18,741,221)</u>	<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>	<u>\$10,248,616</u>

Toledo Public School District

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	13,272,327	13,719,985	13,008,918	12,554,700
Unreserved	<u>(7,561,390)</u>	<u>1,776</u>	<u>(17,195,736)</u>	<u>(25,259,943)</u>
<i>Total General Fund</i>	<u>5,710,937</u>	<u>13,721,761</u>	<u>(4,186,818)</u>	<u>(12,705,243)</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	58,835,147	69,496,216	38,678,072	79,947,256
Unreserved, Undesignated in:				
Special Revenue Funds	3,671,750	(1,834,973)	7,135,876	10,188,787
Debt Service Fund	10,450,742	13,863,182	10,920,852	4,797,338
Capital Projects Funds	51,056,444	9,668,289	67,224,903	70,492,241
Permanent Fund	<u>341,333</u>	<u>350,204</u>	<u>341,588</u>	<u>326,522</u>
<i>Total All Other Governmental Funds</i>	<u>124,355,416</u>	<u>91,542,918</u>	<u>124,301,291</u>	<u>165,752,144</u>
<i>Total Governmental Funds</i>	<u>\$130,066,353</u>	<u>\$105,264,679</u>	<u>\$120,114,473</u>	<u>\$153,046,901</u>

Source: District Treasurer's Office

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

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$62,902	\$65,468	\$64,409	\$73,616	\$67,451	\$93,390
0	0	0	0	0	6,621,906
0	0	59,848	8,280,777	8,841,299	5,266,196
(10,868,218)	(1,229,421)	0	20,859,280	30,866,651	41,460,060
0	0	0	0	0	0
0	0	0	0	0	0
<u>(10,805,316)</u>	<u>(1,163,953)</u>	<u>124,257</u>	<u>29,213,673</u>	<u>39,775,401</u>	<u>53,441,552</u>
503,291	503,291	503,291	635,992	732,665	838,051
121,037,616	86,806,823	48,949,228	36,347,497	33,677,935	33,361,828
(3,538,516)	(849,304)	(92,975)	(744,742)	(2,977,205)	(2,500,006)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>118,002,391</u>	<u>86,460,810</u>	<u>49,359,544</u>	<u>36,238,747</u>	<u>31,433,395</u>	<u>31,699,873</u>
<u>\$107,197,075</u>	<u>\$85,296,857</u>	<u>\$49,483,801</u>	<u>\$65,452,420</u>	<u>\$71,208,796</u>	<u>\$85,141,425</u>

Toledo Public School District

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

	2007	2008	2009	2010
Revenues:				
Taxes	\$120,520,408	\$114,312,225	\$105,699,938	\$101,918,154
Tuition	3,708,191	4,130,667	2,889,694	1,882,544
Transportation Fees	783,273	764,427	809,245	789,969
Food Services	1,869,705	1,791,657	1,664,852	1,402,139
Investment Earnings	11,340,272	9,779,617	4,916,848	2,458,103
Extracurricular Activities	1,298,006	1,236,132	1,096,809	1,114,890
Class Materials and Fees	390,068	331,134	309,764	328,486
Intermediate Sources	30,000	60,000	20,000	0
Intergovernmental - State	325,177,344	295,700,158	295,597,310	288,513,123
Intergovernmental - Federal	50,008,540	38,934,570	54,073,343	80,117,268
All Other Revenue	14,795,783	13,948,465	16,274,444	11,481,474
Total Revenue	529,921,590	480,989,052	483,352,247	490,006,150
Expenditures:				
Current:				
Instruction	223,368,191	226,968,624	252,993,864	251,020,566
Supporting Services	132,585,876	141,432,307	143,794,427	138,912,335
Non-Instructional Services	26,451,093	24,870,693	23,917,955	25,184,615
Extracurricular Activities	4,064,556	4,871,994	5,282,257	5,289,492
Capital Outlay	84,731,327	97,176,358	64,251,427	20,583,735
Debt Service:				
Principal Retirement	3,265,000	3,330,000	3,415,000	7,835,000
Interest and Fiscal Charges	7,119,129	7,047,876	7,229,513	8,361,259
Advance Refunding Escrow	0	0	0	0
Total Expenditures	481,585,172	505,697,852	500,884,443	457,187,002
Excess (Deficiency) of Revenues Over Expenditures	48,336,418	(24,708,800)	(17,532,196)	32,819,148
Other Financing Sources (Uses):				
Sale of Capital Assets	30,142	46,765	0	113,280
Payments to Refunding Bonds Escrow Agent	0	0	0	0
General Obligation Bonds Issued	0	0	31,999,995	0
Premium on Issuance of General Obligation Bonds	0	0	381,995	0
Transfers In	11,650,611	7,277,303	10,417,146	8,429,486
Transfers Out	(11,779,979)	(7,416,942)	(10,417,146)	(8,429,486)
Total Other Financing Sources (Uses)	(99,226)	(92,874)	32,381,990	113,280
Net Change in Fund Balance	\$48,237,192	(\$24,801,674)	\$14,849,794	\$32,932,428
Debt Service as a Percentage of Noncapital Expenditures	2.94%	2.45%	2.51%	3.90%

Source: District Treasurer's Office

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$96,848,838	\$92,962,714	\$93,893,529	\$93,007,599	\$104,065,819	\$111,475,291
1,996,903	2,139,162	2,349,810	1,968,937	2,513,804	2,333,778
512,767	380,291	528,656	502,136	585,879	572,147
1,053,241	753,334	769,247	669,802	546,704	600,033
(359,695)	343,334	241,651	31,672	410,958	395,342
875,047	487,122	526,133	501,753	606,027	621,907
120,999	58,356	68,329	49,314	71,244	59,516
0	10,200	0	0	0	0
274,473,871	245,334,613	221,463,606	234,244,064	243,750,709	257,825,756
73,165,870	58,919,333	48,000,565	45,483,373	48,352,824	60,319,353
10,238,626	8,262,528	8,378,570	7,065,872	7,248,198	6,882,894
<u>458,926,467</u>	<u>409,650,987</u>	<u>376,220,096</u>	<u>383,524,522</u>	<u>408,152,166</u>	<u>441,086,017</u>
237,995,598	221,413,444	221,802,330	227,264,916	239,436,363	249,302,701
126,115,598	116,235,381	116,699,988	99,596,810	117,036,455	123,683,420
31,025,845	29,646,355	20,478,826	15,485,916	27,768,558	29,294,087
3,467,440	2,282,608	2,805,310	2,668,020	3,190,583	3,171,691
96,128,614	50,477,831	38,640,728	11,940,543	3,587,138	9,966,829
4,260,000	4,395,000	4,760,000	4,805,000	4,570,000	5,180,000
6,446,406	7,568,120	6,388,271	6,031,150	6,657,267	6,832,291
0	0	0	829,866	0	0
<u>505,439,501</u>	<u>432,018,739</u>	<u>411,575,453</u>	<u>368,622,221</u>	<u>402,246,364</u>	<u>427,431,019</u>
(46,513,034)	(22,367,752)	(35,355,357)	14,902,301	5,905,802	13,654,998
663,208	0	0	690,062	0	0
0	(59,595,899)	(39,717,581)	(36,345,361)	0	(24,553,999)
0	52,555,000	34,265,000	32,335,000	0	21,920,000
0	7,508,433	4,994,882	4,386,617	0	2,911,630
3,575,875	1,282,460	1,250,851	118,904	104,697	526,756
<u>(3,575,875)</u>	<u>(1,282,460)</u>	<u>(1,250,851)</u>	<u>(118,904)</u>	<u>(104,697)</u>	<u>(526,756)</u>
663,208	467,534	(457,699)	1,066,318	0	277,631
<u>(\$45,849,826)</u>	<u>(\$21,900,218)</u>	<u>(\$35,813,056)</u>	<u>\$15,968,619</u>	<u>\$5,905,802</u>	<u>\$13,932,629</u>
2.56%	3.12%	2.86%	3.20%	2.85%	2.85%

Toledo Public School District

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

Tax year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Real Property					
Assessed	2,675,627	3,025,038	2,980,687	2,973,109	2,667,357
Actual	7,644,649	8,642,966	8,516,249	8,494,597	7,621,020
Public Utility					
Assessed	136,918	137,134	138,071	97,072	107,158
Actual	136,918	137,134	138,071	97,072	107,158
Tangible Personal Property					
Assessed	281,399	210,923	153,551	15,315	7,407
Actual	1,125,596	1,687,384	2,456,816	153,150	74,070
Total					
Assessed	3,093,944	3,373,095	3,272,309	3,085,496	2,781,922
Actual	8,907,163	10,467,484	11,111,136	8,744,819	7,802,248
Assessed Value as a Percentage of Actual Value	34.74%	32.22%	29.45%	35.28%	35.66%
Total Direct Tax Rate	\$67.35	\$67.10	\$66.90	\$67.70	\$65.70

Source: Lucas County Auditor

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

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

Toledo Public School District

2011	2012	2013	2014	2015
2,573,582	2,188,403	2,164,564	2,142,644	2,105,181
7,353,091	6,252,580	6,184,469	6,121,840	6,014,803
114,195	122,237	135,775	145,063	150,900
114,195	122,237	135,775	145,063	150,900
0	0	0	0	0
0	0	0	0	0
2,687,777	2,310,640	2,300,339	2,287,707	2,256,081
7,467,286	6,374,817	6,320,244	6,266,903	6,165,703
35.99%	36.25%	36.40%	36.50%	36.59%
\$65.70	\$67.40	\$67.40	\$67.40	\$73.10

Toledo Public School District

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Direct District Rates					
General Fund	60.05	59.80	59.80	60.60	61.20
Permanent Improvement Fund	3.00	3.00	3.00	3.00	0.50
Bond Retirement Fund	4.30	4.30	4.10	4.10	4.00
Total	<u>67.35</u>	<u>67.10</u>	<u>66.90</u>	<u>67.70</u>	<u>65.70</u>
Overlapping Rates					
Townships:					
Harding	3.00	3.00	4.80	4.80	4.80
Spencer	6.00	6.00	8.00	8.00	8.00
Municipalities:					
City of Toledo	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10
Lucas County	18.00	18.00	18.17	18.17	16.17
Total	<u>102.85</u>	<u>102.60</u>	<u>106.37</u>	<u>107.17</u>	<u>103.17</u>

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

Source:

Lucas County Auditor's Office
Lucas County Treasurer's Office

Toledo Public School District

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
61.20	61.70	61.70	61.70	66.00
0.50	0.50	0.50	0.50	2.00
<u>4.00</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.10</u>
65.70	67.40	67.40	67.40	73.10
4.80	4.80	4.80	4.80	4.80
8.00	8.00	8.00	8.00	8.00
4.40	4.40	4.40	4.40	4.40
4.10	4.10	4.10	4.10	4.10
<u>16.17</u>	<u>17.77</u>	<u>17.77</u>	<u>17.77</u>	<u>19.77</u>
<u>103.17</u>	<u>106.47</u>	<u>106.47</u>	<u>106.47</u>	<u>114.17</u>

Toledo Public School District

*Principal Taxpayers
Real Estate Tax
(amounts in thousands)
Current Year and Nine Years Ago*

Calendar Year 2015

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
GLP Capital LP	Casino	\$56,561	1	2.50%
Toledo Lucas County Port Authority	Realty	11,307	2	0.50%
One Seagate Partners	Realty	10,430	3	0.46%
LC Country Club	Realty	9,743	4	0.43%
Toledo Hospital	Health Care	5,628	5	0.25%
University Residences at Westwood	Realty	5,377	6	0.24%
Midland Agency of NW Ohio	Title	3,958	7	0.17%
ERT Southland	Realty	3,918	8	0.17%
Bravo Ohio LLC	Realty	3,798	9	0.17%
Brixmoor Miracle Mile, LLC	Realty	3,640	10	0.16%
Subtotal		114,360		5.05%
All Others		2,152,227		94.95%
Total		\$2,266,587		100.00%

Calendar Year 2006

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Daimler Chrysler/Jeep/AMC.Wilco	Automotive/Manufacturing	\$18,964	1	16.09%
One Seagate LLC	Realty	11,532	2	9.79%
AERC	Realty	8,214	3	6.97%
St. Vincent Medical Center	Hospital	7,534	4	6.39%
CA New Plan Acquisition	Realty	6,858	5	5.82%
ERT Southland LLC	Realty	5,476	6	4.65%
Dana Corporation	Automotive/Manufacturing	5,110	7	4.34%
Airport Square Investment	Realty	5,110	8	4.34%
Ercelick	Realty	4,934	9	4.19%
Steeplechase Developers	Realty	4,421	10	3.75%
Subtotal		78,153		66.33%
All Others		39,688		33.67%
Total		\$117,841		100.00%

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2015 and 2006

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

Toledo Public School District

*Principal Taxpayers
Public Utilities Tangible Personal Property Tax
(amounts in thousands)
Current Year and nine Years Ago*

		Calendar Year 2015		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electrical Distribution	\$95,261	1	68.37%
Columbia Gas	Utility	30,546	2	21.92%
American Transmission, Inc.	Utility	13,006	3	9.34%
Subtotal		138,813		99.63%
All Others		512		0.37%
Total		\$139,325		100.00%

		Calendar Year 2006		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distributon	\$60,803	1	44.41%
Ohio Bell Telephone	Telephone	24,585	2	17.96%
Coulumbia Gas	Natural Gas Distribution	16,048	3	11.72%
Subtotal		101,436		74.09%
All Others		35,482		25.91%
Total		\$136,918		100.00%

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2015 and 2006

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

Toledo Public School District

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

Collection Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Tax Levy (1)	\$120,463	\$121,796	\$125,132	\$117,731
Collections within the Fiscal Year of the Levy				
Current Tax Collections (2)	117,366	116,283	117,843	99,431
Percent of Levy Collected	97.43%	95.47%	94.17%	84.46%
Delinquent Tax Collections (3)	<u>7,589</u>	<u>11,023</u>	<u>8,449</u>	<u>8,215</u>
Total Tax Collections	124,955	127,306	126,292	107,646
Percent of Total Tax Collections To Tax Levy	103.73%	104.52%	100.93%	91.43%
Accumulated Outstanding Delinquent Taxes	24,532	14,411	21,234	20,721
Percentage of Accumulated				
Delinquent Taxes to Total Tax Levy	20.36%	11.83%	16.97%	17.60%

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

(2) State reimbursements of rollback and homestead exemptions are included;

(3) The County does not identify delinquent tax collections by tax year. Information for delinquent taxes remaining by levy year is currently not maintained by the County Auditor. The County Auditor is currently working to remedy this situation.

Source: Lucas County Auditor's Office

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

Toledo Public School District

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$113,750	\$113,232	\$112,645	\$112,645	\$113,280	\$124,828
98,171	95,804	96,711	106,675	97,016	106,906
86.30%	84.61%	85.85%	94.70%	85.64%	85.64%
<u>9,032</u>	<u>8,510</u>	<u>9,845</u>	<u>9,861</u>	<u>8,878</u>	<u>9,783</u>
107,203	104,314	106,556	116,536	105,894	116,689
94.24%	92.12%	94.59%	103.45%	93.48%	93.48%
21,545	27,716	22,089	21,103	28,898	23,882
18.94%	24.48%	19.61%	18.73%	25.51%	19.13%

Toledo Public School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	<u>\$156,595,365</u>	<u>\$153,125,566</u>	<u>\$181,939,114</u>	<u>\$173,950,672</u>
Total Primary Government	<u><u>\$156,595,365</u></u>	<u><u>\$153,125,566</u></u>	<u><u>\$181,939,114</u></u>	<u><u>\$173,950,672</u></u>
Population ⁽²⁾				
City of Toledo	313,619	313,619	313,619	287,208
Outstanding Debt Per Capita	\$499	\$488	\$580	\$606
Income				
Personal (in thousands)	10,135,852	10,298,307	10,095,709	6,887,535
Percentage of Personal Income	1.54%	1.49%	1.80%	2.53%

Sources:

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

N/A = Not available

Toledo Public School District

2011	2012	2013	2014	2015	2016
<u>\$169,537,230</u>	<u>\$168,958,777</u>	<u>\$164,920,184</u>	<u>\$158,729,534</u>	<u>\$153,140,847</u>	<u>\$147,377,669</u>
<u>\$169,537,230</u>	<u>\$168,958,777</u>	<u>\$164,920,184</u>	<u>\$158,729,534</u>	<u>\$153,140,847</u>	<u>\$147,377,669</u>
286,038 \$593	286,208 \$590	284,012 \$581	282,313 \$562	281,031 \$545	279,789 \$527
5,380,089 3.15%	5,383,286 3.14%	4,897,787 3.37%	6,743,046 2.35%	9,363,110 1.64%	6,834,685 2.16%

Toledo Public School District

*Ratios of General Bonded Debt Outstanding
(amounts in thousands)
Last Ten Years*

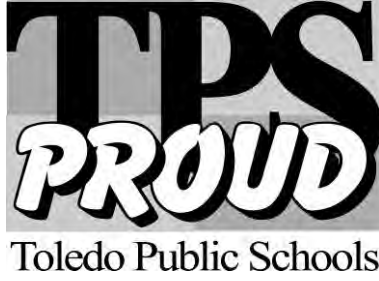
Year	2007	2008	2009	2010
Population (1)	313,619	313,619	313,619	287,208
Assessed Value (2)	\$3,373,095	\$3,272,309	\$3,085,496	\$2,781,922
General Bonded Debt (3)				
General Obligation Bonds	\$156,595	\$153,126	\$181,939	\$173,951
Resources Available to Pay Principal (4)	\$11,268	\$13,863	\$11,526	\$5,293
Net General Bonded Debt	\$145,327	\$139,263	\$170,413	\$168,658
Ratio of Net Bonded Debt to Assessed Actual Value	4.31%	4.26%	5.52%	6.06%
Net Bonded Debt per Capita	\$463	\$444	\$543	\$587

Source:

- (1) U.S. Bureau of Census of Population
- (2) Lucas 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.

Toledo Public School District

2011	2012	2013	2014	2015	2016
286,038	286,208	284,012	282,313	281,031	279,789
\$2,729,775	\$2,687,777	\$2,188,403	\$2,164,564	\$2,287,708	\$2,256,081
\$169,537	\$168,959	\$164,920	\$158,729	\$153,141	\$149,377
\$5,193	\$4,314	\$3,767	\$3,669	\$4,314	\$3,304
\$164,344	\$164,645	\$161,153	\$155,060	\$148,827	\$146,073
6.02%	6.13%	7.36%	7.16%	6.51%	6.47%
\$575	\$575	\$567	\$549	\$530	\$522



Toledo Public School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
(amounts in thousands)
June 30, 2016*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Toledo Public School District	Amount Applicable to Toledo Public School District
Direct:			
Toledo Public School District	\$149,377	100.00%	\$149,377
Overlapping:			
Lucas County	124,859	31.53%	39,368
City of Toledo	122,820	68.47%	84,095
		Subtotal	123,463
		Total	\$272,840

Source: Lucas County Auditor

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

Toledo Public School District

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

Tax Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Assessed Valuation	\$3,093,944	\$3,373,095	\$3,272,309	\$3,085,496
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	278,455	303,579	294,508	277,695
Applicable District Debt Outstanding	156,400	153,135	149,805	178,389
Less: Applicable Debt Service Fund Amounts (2)	<u>(7,669)</u>	<u>(11,268)</u>	<u>(13,863)</u>	<u>(11,526)</u>
Net Indebtedness Subject to Limitation	<u>148,731</u>	<u>141,867</u>	<u>135,942</u>	<u>166,863</u>
Overall Legal Debt Margin	<u>\$129,724</u>	<u>\$161,712</u>	<u>\$158,566</u>	<u>\$110,832</u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	3,094	3,373	3,272	3,085
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$3,094</u>	<u>\$3,373</u>	<u>\$3,272</u>	<u>\$3,085</u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	27,845	30,358	29,451	27,769
Authorized by the Board	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$27,845</u>	<u>\$30,358</u>	<u>\$29,451</u>	<u>\$27,769</u>

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

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

Toledo Public School District

2010	2011	2012	2013	2014	2015
\$2,781,922	\$2,687,777	\$2,310,640	\$2,300,339	\$2,287,707	\$2,256,081
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
250,373	241,900	207,958	207,031	205,894	203,047
170,555	160,070	152,565	143,855	139,285	149,377
(5,293)	(5,193)	(4,314)	(3,767)	(3,692)	(3,304)
<u>165,262</u>	<u>154,877</u>	<u>148,251</u>	<u>140,088</u>	<u>135,593</u>	<u>146,073</u>
<u>\$85,111</u>	<u>\$87,023</u>	<u>\$59,707</u>	<u>\$66,943</u>	<u>\$70,301</u>	<u>\$56,974</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
2,782	2,688	2,311	2,300	2,288	2,256
0	0	0	0	0	0
<u>\$2,782</u>	<u>\$2,688</u>	<u>\$2,311</u>	<u>\$2,300</u>	<u>\$2,288</u>	<u>\$2,256</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
25,037	24,190	20,796	20,703	20,589	20,305
0	0	0	0	0	0
<u>\$25,037</u>	<u>\$24,190</u>	<u>\$20,796</u>	<u>\$20,703</u>	<u>\$20,589</u>	<u>\$20,305</u>

Toledo Public School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	2006	2007	2008	2009
Population (1)				
City of Toledo	313,619	313,619	313,619	313,619
Lucas County	437,901	437,901	437,901	437,901
Income (2) (a)				
Total Personal (in thousands)	9,917,574	10,135,852	10,298,307	10,095,709
Per Capita	31,623	32,319	32,837	32,191
Unemployment Rate (3)				
Federal	4.6%	4.6%	5.8%	9.3%
State	5.5%	5.6%	6.6%	10.2%
Lucas County	6.3%	6.7%	8.3%	12.2%
Fiscal Year	2007	2008	2009	2010
School Enrollment (4)				
Elementary School (K-5 & K-6 configuration)	13,305	13,100	13,197	13,321
Middle School (6-8 & 7-8 configuration)	6,717	6,297	4,312	3,856
High School (9-12)	8,685	8,269	7,079	6,809
Special (5)	352	583	1,204	1,209
Total	<u>29,059</u>	<u>28,249</u>	<u>25,792</u>	<u>25,195</u>

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County,
Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office
- (5) For FY 2009 Special includes four Magnet Schools (2 K-8 & 2 K-9) and an Alternative Learning School

Toledo Public School District

2010	2011	2012	2013	2014	2015
287,208	286,038	284,012	282,313	281,031	279,789
441,815	440,005	437,998	436,393	435,286	433,689
6,887,535	5,380,089	5,383,286	6,743,046	9,363,110	6,834,685
23,981	18,809	17,245	23,885	33,317	24,428
9.6%	8.9%	7.8%	7.4%	5.9%	5.1%
10.1%	8.6%	6.7%	7.4%	5.3%	5.2%
11.3%	9.7%	8.5%	8.5%	6.3%	5.0%
2011	2012	2013	2014	2015	2016
13,748	11,512	12,364	12,284	12,420	11,054
3,249	4,742	3,013	3,019	3,110	4,702
6,680	6,187	6,061	5,912	5,740	5,824
642	31	40	40	38	38
<u>24,319</u>	<u>22,472</u>	<u>21,478</u>	<u>21,255</u>	<u>21,308</u>	<u>21,618</u>



Toledo Public School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	Fiscal Year 2016		
		Number of Employees	Rank	Percentage of Total Employment
Promedica Health Systems	Hospital	13,500	1	3.93%
The University of Toledo and Medical Center	Education/Hospital	5,161	2	1.50%
Fiat Chrysler	Automotive	5,158	3	1.50%
Mercy Health Partners	Hospital	4,693	4	1.37%
Lucas County	Government	3,455	5	1.01%
Toledo City School District	Education	3,352	6	0.98%
General Motors Corp.	Automotive	3,092	7	0.90%
The City of Toledo	Government	2,714	8	0.79%
Wal-Mart	Retail	2,120	9	0.62%
The Kroger Company	Retail	2,056	10	0.60%
Total		45,301		13.20%
Total Employment within the District		298,100		86.80%
		<u>343,401</u>		<u>100.00%</u>

Employer	Nature of Business	Fiscal Year 2007		
		Number of Employees	Rank	Percentage of Total Employment
Promedica Health Systems	Hospital	11,265	1	5.63%
The University of Toledo	Education	8,287	2	4.14%
Mercy Health Partners	Hospital	6,723	3	3.36%
Daimler-Chrysler Corp	Automotive/Manufacturing	4,554	4	2.28%
Toledo Public Schools	Education	4,554	5	2.28%
Lucas County	Government	4,168	6	2.08%
Kroger, Inc.	Retail Grocery	3,503	7	1.75%
The City of Toledo	Government	2,979	8	1.49%
The State of Ohio	Government	2,487	9	1.24%
General Motors/Power Train	Automotive/Manufacturing	2,112	10	1.06%
Subtotal		50,632		25.32%
All Others		149,300		74.68%
Total Employment within the District		<u>199,932</u>		<u>100.00%</u>

Source: Toledo Chamber of Commerce and Ohio Department of Job and Family Services

Toledo Public School District

*School District Employees by Type
Last Ten Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Supervisory					
Instructional Administrators	38	44	45	49	42
Noninstructional Administrators	63	62	59	68	66
Principals	56	51	55	61	52
Assistant Principals	42	51	39	45	33
Instruction					
Classroom Teachers					
Elementary	1,188	1,057	1,051	1,249	987
Middle	262	299	324	378	321
High	597	655	540	614	524
Other	156	169	143	175	95
Student Services					
Guidance Counselors	64	67	60	68	63
Psychologists	24	23	28	27	22
Other Professionals (noninstructional)	34	31	19	38	17
Support Services					
Clerical/Secretaries	297	311	271	319	235
Tutors/Aides	345	358	324	376	313
Food Service	219	243	222	253	208
Maintenance/Grounds	326	346	304	366	299
Transportation	202	212	194	232	176
<i>Total Employees</i>	<u>3,913</u>	<u>3,979</u>	<u>3,678</u>	<u>4,318</u>	<u>3,453</u>

Source: District Treasurer's Office

Toledo Public School District

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
29	29	29	27	31
59	65	68	64	77
48	49	47	43	54
33	42	35	32	40
976	940	916	925	911
224	223	221	223	223
484	477	472	477	475
66	124	131	132	132
48	47	51	55	55
25	25	25	26	26
17	17	19	19	20
202	203	205	234	220
310	334	356	407	359
183	179	168	192	164
254	251	268	306	265
168	156	166	190	222
<u>3,126</u>	<u>3,161</u>	<u>3,177</u>	<u>3,352</u>	<u>3,274</u>

Toledo Public School District

Operating Indicators - Cost per Pupil Last Ten Years

Fiscal Year	2007	2008	2009	2010	2011
Enrollment	29,059	28,249	25,792	25,195	24,319
Modified Accrual Basis					
Operating Expenditures	481,585,172	505,697,852	500,884,443	457,187,002	505,439,501
Cost per Pupil	16,573	17,901	19,420	18,146	20,784
Percentage of Change	(7.75%)	8.02%	8.48%	(6.56%)	14.54%
Accrual Basis					
Expenses	361,514,105	434,628,708	436,247,908	416,809,918	418,375,808
Cost per Pupil	12,441	15,386	16,914	16,543	17,204
Percentage of Change	(18.91%)	23.67%	9.93%	(2.19%)	3.99%
Teaching Staff	2,248	2,201	2,058	2,116	1,927
Pupil to Teacher Ratio					
Toledo	19.5	18.0	18.0	N/A	N/A
State Average	18.5	18.6	18.6	N/A	N/A

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

N/A = Not available

Toledo Public School District

2012	2013	2014	2015	2016
22,472	21,478	21,255	21,308	21,618
432,018,739	411,575,453	368,622,221	402,246,364	427,431,019
19,225 (7.50%)	19,163 (0.32%)	17,343 (9.50%)	18,878 8.85%	19,772 4.74%
376,617,161	394,222,180	385,722,176	389,327,097	425,900,861
16,759 (2.58%)	18,355 9.52%	18,147 (1.13%)	18,271 0.68%	19,701 7.83%
1,750	1,764	1,740	1,764	1,768
N/A	N/A	12.2	12.0	12.2
N/A	N/A	N/A	N/A	N/A

Toledo Public School District

Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010
Governmental Activities				
Instruction				
Regular	23,767	22,995	21,020	20,358
Special	5,292	5,254	4,771	4,837
Support Services				
Pupils				
Enrollment	29,059	28,249	25,792	25,195
Graduates	1,519	1,284	1,267	1,303
Percent of Students with Disabilities	17.90%	18.60%	18.50%	19.20%
Percent of Students with English as Second Language	0.50%	1.80%	1.40%	1.50%
Administration				
School Attendance Rate	92.30%	95.20%	94.90%	94.90%
Fiscal Services				
Purchase Orders Processed	23,753	23,998	23,998	20,917
Checks Issued (non payroll)	26,369	26,306	26,825	27,187
Operation and Maintenance of Plant				
District Square Footage Maintained	5,533,138	5,449,806	5,588,049	5,588,049
District Square Acreage Maintained	127	125	128	128
Pupil Transportation				
Average Daily Students Transported	11,182	10,323	11,114	13,269
Average Daily Bus Fleet Miles	10,711	10,892	10,392	10,125
Number of Buses	172	162	166	160
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	12,833	14,290	14,643	15,089
Free/Reduced Price Meals Daily	11,247	12,977	13,400	13,206
Extracurricular Activities				
High School Varsity Teams	115	115	115	115

Source: District Treasurer's Office

Toledo Public School District

2011	2012	2013	2014	2015	2016
19,671	19,034	18,050	17,382	17,271	17,665
4,648	4,140	3,698	3,873	4,037	3,953
24,319	23,174	21,748	21,255	21,308	21,618
1,272	1,075	1,026	922	879	1,118
19.10%	18.00%	20.49%	18.22%	19.15%	17.20%
2.26%	1.61%	1.88%	1.97%	1.98%	2.22%
94.70%	94.30%	94.10%	93.02%	94.00%	93.80%
19,867	16,759	17,424	16,043	17,481	17,827
15,650	19,312	17,232	18,460	17,707	17,375
6,263,196	5,183,088	5,183,088	5,183,088	5,183,088	4,937,327
144	144	144	144	144	147
2,893	3,517	3,327	3,025	3,589	3,948
8,300	8,190	2,783	3,224	9,048	10,358
124	120	122	115	171	147
14,952	18,652	22,939	19,061	22,172	21,702
13,750	17,428	20,692	17,155	21,263	20,780
48	48	48	48	48	48

Toledo Public School District

Operating Indicators - Teacher Base Salaries Last Ten Years

Fiscal Year	2007	2008	2009	2010	2011
Minimum Salary	32,697	32,697	34,351	35,313	34,960
Maximum Salary	65,520	65,520	68,836	70,763	72,867
District Average Salary	50,294	50,083	52,735	54,568	56,585
County Average Salary	54,696	56,228	59,210	61,490	NA
State Average Salary	53,534	53,410	54,656	55,958	56,715

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

Operating Indicators - Teacher by Education Last Ten Years

Fiscal Year	2007	2008	2009	2010	2011
Bachelor's Degree	1,033	1,010	933	945	824
Master's Degree	1,202	1,180	1,115	1,161	1,095
Doctorate	13	11	10	10	8
Total	2,248	2,201	2,058	2,116	1,927

Source: District Treasurer's Office

N/A - not available

Toledo Public School District

2012	2013	2014	2015	2016
34,086	34,086	34,427	34,771	35,116
71,045	70,871	71,580	71,071	73,012
53,613	52,143	50,848	51,237	51,223
41,949	41,949	41,556	41,556	40,245
48,071	48,071	48,308	56,237	48,081

2012	2013	2014	2015	2016
759	789	735	755	755
980	956	984	988	991
11	19	21	21	22
1,750	1,764	1,740	1,764	1,768

Toledo Public School District

Capital Asset Statistics by Building Last Ten Years

	2007	2008	2009	2010
School Buildings				
High Schools				
Number of Buildings	7	7	7	7
Square Footage	1,793,255	1,943,186	1,947,738	1,947,738
Enrollment	8,685	8,272	7,079	6,809
Junior High Schools *				
Number of Buildings	6	0	0	0
Square Footage	634,563	0	0	0
Enrollment	5,353	0	0	0
Middle Schools *				
Number of Buildings	2	7	7	7
Square Footage	179,743	652,097	622,321	622,321
Enrollment	1,206	4,346	4,312	3,856
Elementary Schools				
Number of Buildings	37	37	37	37
Square Footage	2,327,553	2,290,095	2,453,562	2,453,562
Enrollment	15,468	12,860	13,196	13,321
Special Schools				
Number of Buildings	8	8	8	8
Square Footage	372,463	358,143	358,143	358,143
Enrollment	359	2,770	1,204	1,209
All Other				
Central Administration Building				
Square Footage	79,354	79,354	79,354	79,354
Transportation Building				
Square Footage	10,950	10,950	10,950	10,950
Maintenance Building				
Square Footage	115,981	115,981	115,981	115,981

Source: District Treasurer's Office

* Restructuring program began in 2006, completed in 2008.

Toledo Public School District

2011	2012	2013	2014	2015	2016
7	7	7	7	7	7
1,947,738	1,798,771	1,798,771	1,798,771	1,798,771	1,798,771
6,680	6,889	6,187	5,783	5,712	6,058
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7	0	0	0	0	0
622,321	0	0	0	0	0
3,249	0	0	0	0	0
37	42	42	42	42	42
2,453,562	2,530,620	2,530,620	2,530,620	2,530,620	2,530,620
13,748	15,685	14,691	14,872	14,996	14,960
8	8	8	8	8	8
358,143	358,143	358,143	358,143	358,143	358,143
642	600	600	600	600	600
79,354	79,354	79,354	79,354	79,354	122,862
10,950	10,950	10,950	10,950	10,590	10,950
115,981	115,981	115,981	115,981	115,981	115,981

Toledo Public School District

Capital Asset Statistics by Function Last Ten Years

	2007	2008	2009	2010
Governmental Activities				
Instruction				
Land and Improvements	\$21,206,948	\$21,221,762	\$20,918,762	\$20,918,761
Buildings and Improvements	180,471,518	303,328,623	392,702,165	452,882,180
Machinery and Equipment	1,679,106	2,026,764	2,226,144	2,772,922
Vehicles	372,412	372,412	421,335	421,335
Construction In Progress	151,589,221	96,291,759	75,436,367	41,441,727
Administration				
Land and Improvements	207,367	207,367	207,367	207,367
Buildings and Improvements	4,001,663	8,943,955	16,073,559	9,609,275
Machinery and Equipment	3,849,683	4,043,960	4,181,127	4,382,103
Vehicles	0	0	0	28,631
Operations and Maintenance of Plant				
Land and Improvements	411,952	411,952	411,952	411,952
Buildings and Improvements	1,502,625	1,502,625	1,502,625	1,502,625
Machinery and Equipment	2,316,700	2,391,276	2,017,143	2,031,520
Vehicles	1,643,155	1,789,849	1,790,269	1,816,428
Transportation Services				
Land and Improvements	584,422	584,422	584,422	584,422
Buildings and Improvements	207,077	207,077	207,077	207,077
Machinery and Equipment	42,700	42,700	54,943	54,943
Vehicles	7,912,620	8,053,881	8,551,578	8,710,085
Non-Instructional Activities				
Land and Improvements	127,175	127,175	127,175	127,175
Buildings and Improvements	4,046,820	4,046,820	4,046,820	4,046,820
Machinery and Equipment	1,251,855	1,168,102	1,176,061	1,069,348
Extracurricular Activities				
Land and Improvements	140,221	140,221	140,221	140,221
Buildings and Improvements	3,199,910	3,199,910	3,199,910	3,199,910
Machinery and Equipment	284,226	284,226	284,226	284,226

Source: District Treasurer's Office

Toledo Public School District

2011	2012	2013	2014	2015	2016
\$20,918,761	\$21,444,762	\$21,444,762	\$21,484,812	\$21,588,880	\$21,638,794
480,007,471	590,026,000	612,986,614	616,457,334	623,266,182	626,004,438
2,954,554	3,245,394	3,571,105	4,128,195	3,748,327	4,759,678
421,335	465,344	522,526	522,526	372,411	526,271
94,921,281	10,865,779	339,735	0	0	0
207,367	207,367	207,367	207,367	207,367	208,853
10,963,164	10,963,164	10,963,164	10,963,164	10,963,164	11,041,736
4,416,260	4,482,758	4,482,758	4,482,758	5,011,068	4,514,886
157,931	157,931	157,931	157,931	0	159,063
411,952	411,952	411,952	411,952	411,952	414,904
1,504,498	1,504,498	1,504,498	1,504,498	1,504,498	1,515,281
2,109,652	2,109,652	2,109,652	2,109,652	2,420,467	2,124,772
1,488,754	1,143,127	1,476,022	1,476,022	1,452,013	1,486,601
584,422	58,422	58,422	58,422	58,422	58,841
207,077	207,077	207,077	207,077	207,077	208,561
54,943	54,943	54,943	54,943	54,943	55,337
8,303,498	8,561,106	8,933,772	8,988,924	10,580,116	10,321,508
127,175	127,175	127,175	127,715	127,715	128,630
4,046,820	4,046,820	4,046,820	4,046,820	3,014,175	4,075,823
981,930	981,930	981,930	981,930	1,055,912	988,967
140,221	140,221	140,221	140,221	140,221	141,226
3,199,910	3,199,910	3,199,910	3,199,910	2,507,710	3,222,844
284,226	284,226	284,226	284,226	357,100	286,263

Toledo Public School District

*Educational and Operating Statistics
Last Ten Years*

	2007	2008	2009	2010	2011
Cost per Student (ODE)					
Toledo	11,209	10,770	12,008	13,544	13,859
Ohio (Average)	9,586	9,939	10,184	10,512	10,571
Attendance Rate					
Toledo	92.30%	95.20%	94.90%	N/A	94.70%
Ohio (Average)	94.10%	94.20%	94.30%	94.30%	94.50%
Graduation Rate					
Toledo	87.60%	N/A	N/A	N/A	80.50%
Ohio (Average)	86.90%	N/A	84.60%	84.60%	84.30%

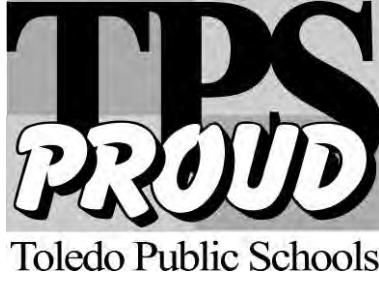
Source:

District's Student Records and Ohio Department of Education

N/A = Not available

Toledo Public School District

2012	2013	2014	2015	2016
12,471	N/A	N/A	N/A	N/A
10,508	10,508	N/A	N/A	N/A
94.30%	N/A	93.02%	96.10%	93.80%
94.50%	94.20%	93.00%	92.40%	92.80%
N/A	N/A	64.50%	64.50%	70.30%
81.30%	81.30%	82.20%	82.40%	83.20%





Dave Yost • Auditor of State

TOLEDO CITY SCHOOL DISTRICT

LUCAS 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 28, 2017