

TOLEDO CITY SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2017



CLARK SCHAEFER HACKETT
CPAS & ADVISORS



Dave Yost • Auditor of State

Board of Education
Toledo City School District
1609 N. Summit Street
Toledo, Ohio 43604

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

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

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

Dave Yost
Auditor of State

February 14, 2018

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Toledo City School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2017

| <u>Federal Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Number</u> | <u>Passed Through to Subrecipients</u> | <u>Federal Revenues</u> | <u>Federal Expenditures</u> |
|---|----------------------------|-----------------------------------|--|-------------------------|-----------------------------|
| <u>U.S. Department of Agriculture:</u> | | | | | |
| <i>(Passed through Ohio Department of Education)</i> | | | | | |
| Nutrition Cluster: | | | | | |
| <i>Non-Cash Assistance (Food Distribution):</i> | | | | | |
| National School Lunch Program | 10.555 | n/a | \$ - | \$ 310,764 | \$ 490,046 |
| <i>Cash Assistance:</i> | | | | | |
| School Breakfast Program | 10.553 | 05PU-2005 | - | 2,371,601 | 2,371,601 |
| National School Lunch Program | 10.555 | LLP4-2005 | - | 7,947,381 | 7,947,381 |
| <i>Cash Assistance Subtotal</i> | | | - | <u>10,318,982</u> | <u>10,318,982</u> |
| Nutrition Cluster Total | | | - | <u>10,629,746</u> | <u>10,809,028</u> |
| Child and Adult Care Food Program | 10.558 | n/a | - | 380,556 | 380,556 |
| Fresh Fruit and Vegetable Program | 10.582 | CCMO-2005 | - | 364,655 | 364,655 |
| Total U.S. Department of Agriculture | | | - | <u>11,374,957</u> | <u>11,554,239</u> |
| <u>U.S. Department of Health and Human Services:</u> | | | | | |
| Head Start: | | | | | |
| Head Start FY 16 | 93.600 | n/a | 1,549,455 | 4,755,270 | 4,237,412 |
| Head Start FY 17 | 93.600 | n/a | 1,110,554 | 4,007,472 | 4,083,535 |
| Total Head Start | | | <u>2,660,009</u> | <u>8,762,742</u> | <u>8,320,947</u> |
| Total U.S. Department of Health and Human Services | | | <u>2,660,009</u> | <u>8,762,742</u> | <u>8,320,947</u> |
| <u>U.S. Department of Labor</u> | | | | | |
| Youth Career Connect | 17.274 | n/a | - | 1,076,092 | 1,009,594 |
| Total U.S. Department of Labor | | | - | <u>1,076,092</u> | <u>1,009,594</u> |
| <u>U.S. Department of Education:</u> | | | | | |
| Student Financial Aid Cluster | | | | | |
| Federal Pell Grant Programs | | | | | |
| LPN Pell Grant FY 16 | 84.063 | 1346401449A4 | - | 8,001 | 8,001 |
| LPN Pell Grant FY 17 | 84.063 | 1346401449A4 | - | 596,210 | 596,210 |
| Total Federal Pell Grant Programs | | | - | 604,211 | 604,211 |
| Federal Direct Student Loans | 84.268 | n/a | - | 1,295,351 | 1,026,918 |
| Student Financial Aid Cluster Total | | | - | <u>1,899,562</u> | <u>1,631,129</u> |
| <i>(Passed through Ohio Department of Education)</i> | | | | | |
| Title I: | | | | | |
| Title I FY 15 | 84.010 | n/a | - | - | 4,418 |
| Title I FY 16 | 84.010 | n/a | - | 3,782,496 | 2,758,256 |
| Title I FY 17 | 84.010 | n/a | - | 13,971,408 | 14,274,190 |
| Total Title I | | | - | <u>17,753,904</u> | <u>17,036,864</u> |
| Special Education Cluster: | | | | | |
| Special Education - Grants to States FY 16 | 84.027 | 6BSF-2016 | - | 1,551,333 | 1,126,592 |
| Special Education - Grants to States FY 17 | 84.027 | 6BSF-2017 | - | 5,814,266 | 6,180,607 |
| Special Education - Preschool Grants FY 16 | 84.173 | n/a | - | 29,782 | 18,473 |
| Special Education - Preschool Grants FY 17 | 84.173 | n/a | - | 202,895 | 212,234 |
| Special Education Cluster Total | | | - | <u>7,598,276</u> | <u>7,537,906</u> |
| Vocational Education Basic Grants to State: | | | | | |
| Adult FY 16 | 84.048 | 20C2-2016 | - | 179,316 | 112,876 |
| Adult FY 17 | 84.048 | 20C2-2017 | - | 802,096 | 777,869 |
| Total Vocational Education Basic Grants to State | | | - | <u>981,412</u> | <u>890,745</u> |
| Education for Homeless Children and Youth: | | | | | |
| FY 16 | 84.196 | n/a | - | 6,321 | 3,680 |

(Continued)

Toledo City School District
 Schedule of Expenditures of Federal Awards (continued)
 Year Ended June 30, 2017

| <u>Federal Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Number</u> | <u>Passed Through to Subrecipients</u> | <u>Federal Revenues</u> | <u>Federal Expenditures</u> |
|--|----------------------------|-----------------------------------|--|-------------------------|-----------------------------|
| <i>U.S. Department of Education: (continued)</i> | | | | | |
| <i>(Passed through Ohio Department of Education) (continued)</i> | | | | | |
| Supporting Effective Instruction State Grants: | | | | | |
| Supporting Effective Instruction State Grants FY16 | 84.367 | n/a | - | 386,393 | 406,615 |
| Supporting Effective Instruction State Grants FY17 | 84.367 | n/a | - | <u>1,774,907</u> | <u>1,927,622</u> |
| Total Supporting Effective Instruction State Grants | | | <u>-</u> | <u>2,161,300</u> | <u>2,334,237</u> |
| English Language Acquisition State Grants: | | | | | |
| Limited English FY 16 | 84.365 | T3S1-2016 | - | 11,213 | 10,673 |
| Limited English FY 17 | 84.365 | T3S1-2017 | - | <u>62,811</u> | <u>70,133</u> |
| Total English Language Acquisition State Grants | | | <u>-</u> | <u>74,024</u> | <u>80,806</u> |
| School Improvement Grant: | | | | | |
| FY 16 | 84.377 | n/a | - | <u>9,518</u> | <u>9,518</u> |
| Twenty-First Century Grant: | | | | | |
| 21st Century FY 16 | 84.287 | n/a | - | 138,750 | 97,683 |
| 21st Century FY 17 | 84.287 | n/a | - | <u>324,893</u> | <u>385,223</u> |
| Total Twenty-First Century Grant | | | <u>-</u> | <u>463,643</u> | <u>482,906</u> |
| Total U.S. Department of Education | | | <u>-</u> | <u>30,947,960</u> | <u>30,007,791</u> |
| Total Federal Awards | | | \$ <u>2,660,009</u> | \$ <u>52,161,751</u> | \$ <u>50,892,571</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Toledo City School District (the "District") under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). 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 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - FOOD DISTRIBUTION

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

NOTE D - NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE E - 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.

NOTE F - 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 \$2,660,009.

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Toledo City School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District (the "District") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance And Other Matters

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

District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
December 27, 2017

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Toledo City School District:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated December 27, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
December 27, 2017

**TOLEDO CITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

| | |
|--|------------|
| Type of auditors’ report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | Yes |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None |
| Noncompliance material to the financial statements noted? | None |

Federal Awards

| | |
|--|-------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | None |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None |
| Type of auditors’ report issued on compliance for major programs: | Unmodified |
| Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | None |
| Identification of major programs: | |
| • CFDA 84.063, 84.268 – Student Financial Aid Cluster | |
| • CFDA 84.010 – Title I Grants to Local Educational Agencies | |
| • CFDA 84.367 – Supporting Effective Instruction State Grants | |
| Dollar threshold to distinguish between Type A and Type B Programs: | \$1,526,777 |
| Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

Finding 2017-001 – Prior Period Adjustment/Audit Adjustments

Condition: The District identified misstatements in prior financial statements that were not identified by the District’s internal control over financial reporting in prior years. In addition, we identified audit adjustments which were necessary to correct the current year financial statements. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the District’s financial statements did not operate as designed and we consider this a material weakness.

As part of the District’s year-end close, material prior period adjustments to the statements were identified. The District identified transactions that had not been properly recorded on the cash basis and GAAP basis of accounting.

Also, during our audit, we identified misstatements in the financial statements for the year ended June 30, 2017, which were not initially identified by the District’s internal control over financial reporting. Audit adjustments were necessary to correct errors related to property taxes revenue recognition and related deferred inflows as well as accrued wages and benefits.

Recommendation: We recommend the District continue to enhance its internal controls over financial reporting with steps such as management analysis of the financials compared to prior years to ensure the preparation of reliable financial statements in conformity with generally accepted accounting principles.

Management’s Response: *Management concurs.*

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Audit Findings

None



Toledo Public Schools
Office of the Treasurer
Toledo Public Schools Educational Campus
1609 N. Summit Street • Toledo, Ohio 43604

Ryan S. Stechschulte
Treasurer
419-671-0350
Fax 419-671-0082
rstechsc@tps.org

December 27, 2017

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2017

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|-----------------------|--|------------------------------------|--|
| 2017-001 | In the course of preparing the year end financials, an error was discovered with beginning fund balances. The error was corrected and the District has modified its month end process to detect this error timely if it were to occur again. | 06/30/18 | Eric Shreve, Assistant Treasurer |

Sincerely,
Ryan S. Stechschulte
Treasurer
RS:als

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Lucas County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2017

Lucas County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

Prepared by:
Mr. Ryan Stechschulte, Treasurer

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LUCAS COUNTY, OHIO**

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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 27, 2017

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, 2017, 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 FY17, and projects flat enrollment going forward. As of October 2017, the School District had 22,090 students (compared to 21,618 as of October 2016) 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, 2017

The District employs (full- and part-time) 2,005 professional staff members and 1,338 nonteaching and support staff employees. Approximately 55% 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, 2017

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 marked another strong year of progress during the 2016-17 school year.

The year started with the administrative operations moving to a new, energy efficient office building which is located at the edge of downtown Toledo. The building had housed the former classrooms for the district's adult education courses, but it's been renovated and now provides a more open and collaborative working environment for staff members. The move to this new location saves the district approximately \$250,000 each year in operational expenses. The decision was made after a study showed that moving the district's operations was fiscally more responsible than making the substantial renovations the other building needed.

During the 2016-2017 school year, administrators continued to focus on ensuring that students are successful college and career ready graduates. These efforts were demonstrated by the expansion of the district's Gifted and Talented program so more elementary students who are excelling can take classes at an advanced level with highly trained teachers. This program has received high grades in the annual district reports from the Ohio Department of Education.

There were other success stories across the district, including the continuation of a partnership between TPS and ProMedica Health Systems that ensures a full-time nurse in every school. These healthcare professionals are sometimes the only access a student might have when it comes to addressing a medical issue or concern. Data shows that students in buildings with full-time nurses accessed health services more than twice as many times as buildings that only had part-time nurses, reinforcing the belief that there is an unmet need for health services.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2017

Career Technology programs continued to be popular among students. Currently, TPS offers more than 30 courses that allow students to plan a career path directly after high school. More and more students are taking advantage of internships with local businesses which in many cases lead to jobs upon graduation. Such internships are only one example of how Toledo Public Schools continues to build strong relationships with community partners who want to see our students succeed.

Another type of community partnership that the district continued to foster was with the Area Office on Aging, collaboratively working on such senior-centric initiatives as 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.

Finally, TPS administrators continue to be good stewards of the money generated from a 5.8 mil operating levy that was passed in November, 2014. With this new money, the first since 2000, the district has been able to improve attendance and safety by reinstating bus services for more than half of its 22,000 students and continue recruiting and keeping the best educators and staff members, as well as upgrade technology and computers and maintain facilities.

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.

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.

TOLEDO CITY SCHOOL DISTRICT

**Letter of Transmittal
For the Fiscal Year Ended June 30, 2017**

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.

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

| Fiscal Year | Payments |
|--------------------|-----------------|
| 2012 | \$560,140 |
| 2013 | 472,271 |
| 2014 | 470,182 |
| 2015 | 504,636 |
| 2016 | 510,214 |
| 2017 | 503,550 |
| 2018(a) | 502,114 |

(a) Estimated.

Since the inception of the revenue sharing program, the District has received \$16,094,517 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, 2017, 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.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2017

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.

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.
- Continually utilize technology to generate cost savings, and
- Participate in legislative and community efforts for school funding and other financial impacts to the District.

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.

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.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2017

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, 2017

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 firm of Clark Schaefer Hackett conducted the audit for the Fiscal Year ended June 30, 2017. 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, 2016. 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-seven years (1989-2016). 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, 2016. 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.

The Toledo City School District was also awarded the Auditor of State Award with Distinction. The Auditor of State Award with Distinction is presented to local governments and school districts upon the completion of a financial audit and the audit report was "clean." A "clean" audit report is one that was filed timely with the Auditor of State's office in the form of a CAFR and does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings, or questioned costs. Further, the District's management letter did not contain any comments related to ethics referrals, questioned costs, timely report submission, reconciliation, findings for recovery, or public meetings.

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, 2017***

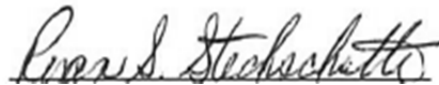
Acknowledgment: Preparation of this report would not have been possible without the joint cooperation of all Divisions in the District. We would like to specifically acknowledge the following individuals within the Treasurer's Division and the Business Division: W. Paul Overman, Jr., Director of Treasury 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, 2017

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:

| | <u>Began Service as a Board Member</u> | <u>Present Term Expires</u> |
|--------------------------------------|--|---------------------------------|
| Chris Varwig, President | Appointed 2008 | 12/31/2021 |
| Polly Taylor-Gerken , Vice-President | 01/01/2014 | 12/31/2021 |
| Stephanie Eichenberg, Member | 01/01/2016 | 12/31/2019 |
| Perry Lefevre, Member | 01/01/2014 | 12/31/2021 |
| Bob Vasquez, 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

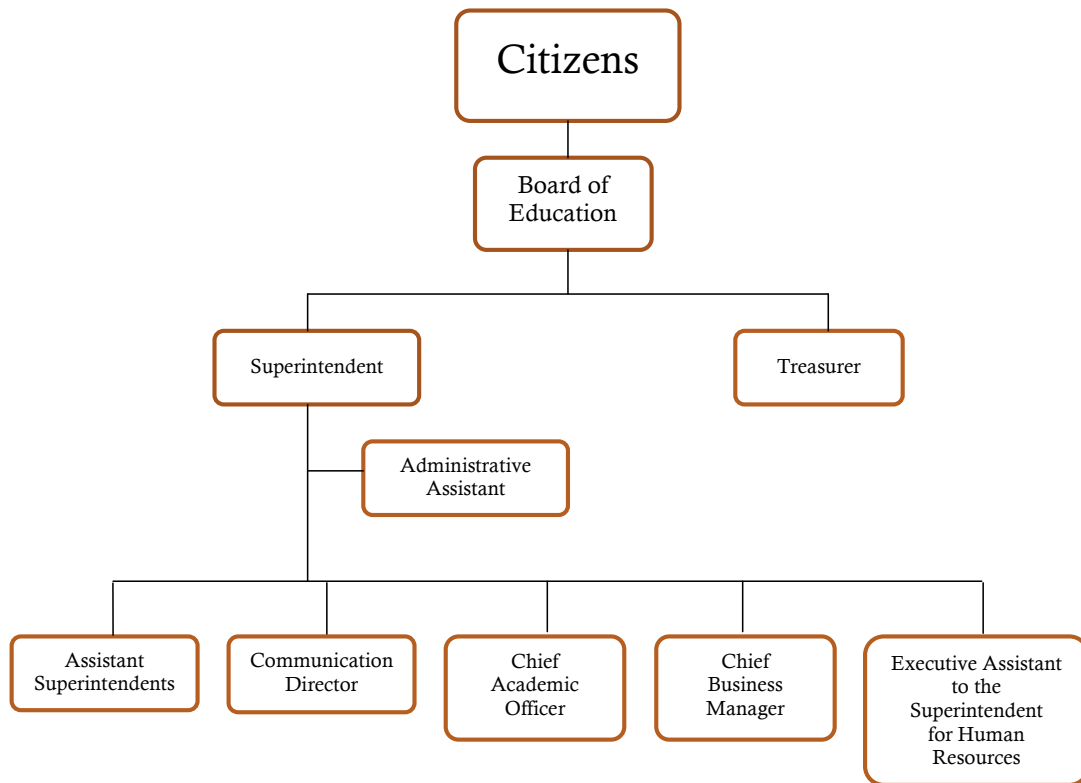
***School District Organizational Chart
For the Fiscal Year Ended June, 30, 2017***

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

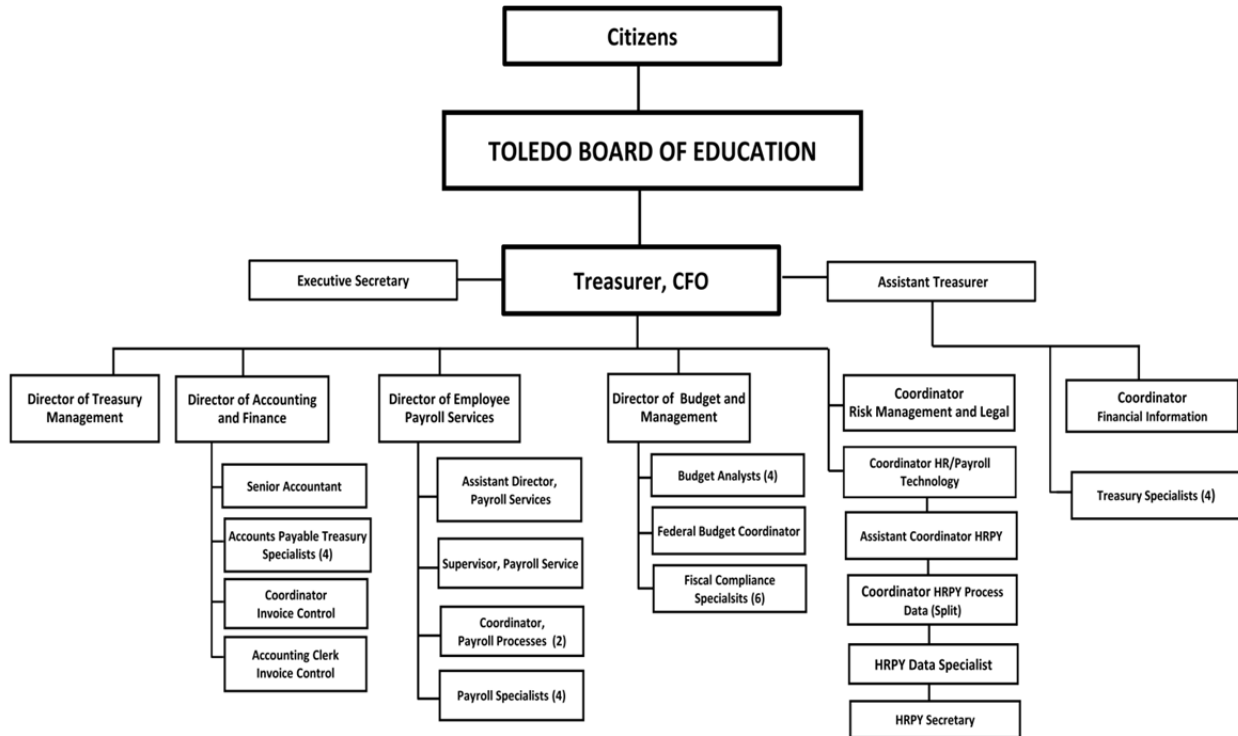
**School District Organizational Chart
For the Fiscal Year Ended June, 30, 2017**



TOLEDO CITY SCHOOL DISTRICT

**Treasurer's Division Organizational Chart
For the Fiscal Year Ended June, 30, 2017**

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, 2016



Executive Director/CEO



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

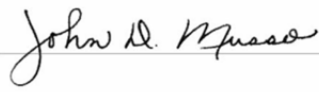
Toledo City Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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




Anthony N. Dragona, Ed.D., RSBA
President


John D. Musso, CAE
Executive Director

FINANCIAL SECTION



Toledo Public Schools

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Toledo City School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District (the "District") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
December 27, 2017



TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017***

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, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, 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 2017 are as follows:

- ❑ General revenues accounted for \$406,761,813 in revenue or 87.3% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$59,411,149 or 12.7% of total revenues of \$466,172,962. The State Foundation portion of general revenues increased approximately \$18 million from FY16 to FY17.
- ❑ The District had \$465,712,620 in expenses related to governmental activities; only \$59,411,149 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$120,170,162 and unrestricted state and federal revenues totaling \$283,724,348, 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, 2017 by \$142,745,552 (net position). The District's total net position increased by \$460,342 in fiscal year 2017.
- ❑ As the only major fund, the general fund had \$379,474,801 in revenues, \$373,850,246 in expenditures, \$5,398 in transfers in and (\$128,961) in transfers out, resulting in the general fund balance increasing by \$5,500,992 to \$60,511,184. This increase is attributable to operational efficiencies and cost saving measures, as well as an increase in State revenue over FY16.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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, 2017

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

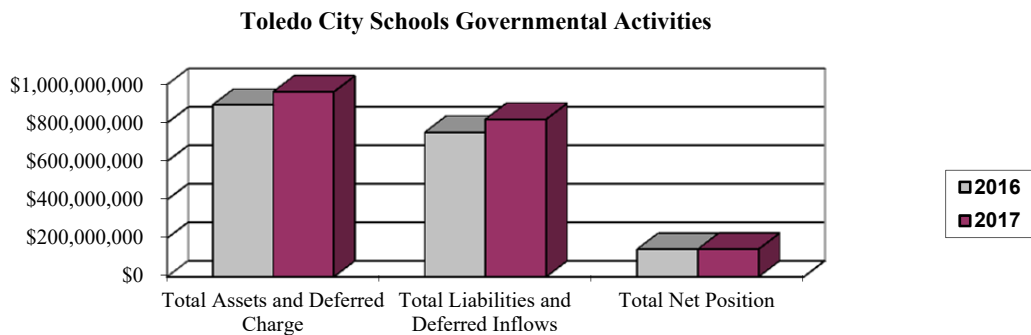
The following table provides a summary of the District's net position for 2017 compared to 2016:

| | Governmental Activities | | Increase (Decrease) |
|---|----------------------------|------------------|------------------------|
| | 2017 | Restated 2016 | |
| Current and other assets | \$321,508,103 | \$293,371,399 | \$28,136,704 |
| Capital assets, Net | 524,377,375 | 537,106,078 | (12,728,703) |
| Total assets | 845,885,478 | 830,477,477 | 15,408,001 |
| Deferred Loss on Debt Refunding | 6,622,077 | 7,119,996 | (497,919) |
| Pension | 109,515,639 | 55,464,531 | 54,051,108 |
| Total Deferred Outflows of Resources | 116,137,716 | 62,584,527 | 53,553,189 |
| Net Pension Liability | 496,137,545 | 396,937,061 | 99,200,484 |
| Other Long-Term Liabilities | 157,259,134 | 163,381,784 | (6,122,650) |
| Other Liabilities | 66,184,947 | 61,689,268 | 4,495,679 |
| Total liabilities | 719,581,626 | 622,008,113 | 97,573,513 |
| Property Tax Levy for Next Fiscal Year | 99,696,016 | 103,365,773 | (3,669,757) |
| Pension | 0 | 25,402,908 | (25,402,908) |
| Total Deferred Inflows of Resources | 99,696,016 | 128,768,681 | (29,072,665) |
| Net position: | | | |
| Net Investment in Capital Assets | 388,203,178 | 394,848,405 | (6,645,227) |
| Restricted | 48,600,656 | 47,727,650 | 873,006 |
| Unrestricted (Deficit) | (294,058,282) | (300,290,845) | 6,232,563 |
| Total Net Position | \$142,745,552 | \$142,285,210 | \$460,342 |

TOLEDO CITY SCHOOL DISTRICT

**Management’s Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017**

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, 2017***

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 62% 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, 2017 was \$388,203,178. 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, \$48,600,656, represents resources that are subject to external restriction on how they may be used.

TOLEDO CITY SCHOOL DISTRICT**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017****Unaudited**

Changes in Net Position – The following table shows the net position for the fiscal year 2017 compared to 2016:

| | Governmental Activities | | Increase (Decrease) |
|----------------------------------|----------------------------|----------------------|------------------------|
| | 2017 | 2016 | |
| Revenues | | | |
| Program revenues: | | | |
| Charges for Services | \$12,610,717 | \$10,344,061 | \$2,266,656 |
| Operating Grants | 46,642,415 | 53,962,546 | (7,320,131) |
| Capital Grants | 158,017 | 160,716 | (2,699) |
| General revenues: | | | |
| Property Taxes | 120,170,162 | 109,605,057 | 10,565,105 |
| Grants and Entitlements | 283,724,348 | 260,941,893 | 22,782,455 |
| Other | 2,867,303 | 1,135,204 | 1,732,099 |
| Total revenues | <u>466,172,962</u> | <u>436,149,477</u> | <u>30,023,485</u> |
| Program Expenses | | | |
| Instruction | 286,130,941 | 266,665,914 | 19,465,027 |
| Support Services | 140,445,126 | 120,830,538 | 19,614,588 |
| Non-Instructional Services | 30,991,650 | 29,007,085 | 1,984,565 |
| Extracurricular Activities | 3,503,091 | 3,175,089 | 328,002 |
| Interest and Fiscal Charges | 4,641,812 | 6,222,235 | (1,580,423) |
| Total expenses | <u>465,712,620</u> | <u>425,900,861</u> | <u>39,811,759</u> |
| Total Change in Net Position | 460,342 | 10,248,616 | (9,788,274) |
| Beginning Net Position, Restated | 142,285,210 | 132,036,594 | 10,248,616 |
| Ending Net Position | <u>\$142,745,552</u> | <u>\$142,285,210</u> | <u>\$460,342</u> |

TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017*

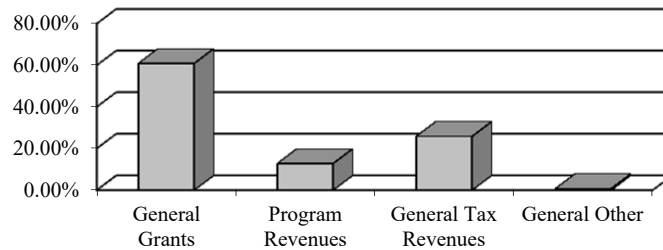
Unaudited

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 25.78% of revenues for governmental activities for the Toledo City School District in fiscal year 2017. The District's reliance upon tax revenues is demonstrated by the following graph indicating 25.78% of total revenues from general tax revenues:

| Revenue Sources | 2017 | Percent of Total |
|----------------------|----------------------|---------------------|
| General Grants | \$283,724,348 | 60.86% |
| Program Revenues | 59,411,149 | 12.74% |
| General Tax Revenues | 120,170,162 | 25.78% |
| General Other | 2,867,303 | 0.62% |
| Total Revenue | <u>\$466,172,962</u> | <u>100.00%</u> |



TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017*

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$90,366,891, which is an increase from last year's total of \$82,520,717. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2017 and 2016.

| | Fund Balance June 30, 2017 | Restated Fund Balance June 30, 2016 | Increase |
|--------------------|-------------------------------|---|--------------------|
| General | \$60,511,184 | \$55,010,192 | \$5,500,992 |
| Other Governmental | 29,855,707 | 27,510,525 | 2,345,182 |
| Total | <u>\$90,366,891</u> | <u>\$82,520,717</u> | <u>\$7,846,174</u> |

The General Fund State Foundation payments increased due to an increase in student enrollment, and greater funding for economically disadvantaged students. There was also an increase in Career Tech funding to the District. Current expenditures and transfers were less than total revenues resulting in the increase of the General Fund balance. The Debt Service Fund balance moderate increase is a reflection of increases in tax revenue due to an adjustment to the tax rate. The Classroom Facilities Capital Building Fund balance remained relatively consistent from FY16 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, 2017****Unaudited**

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

| | 2017 <u>Revenues</u> | 2016 <u>Revenues</u> | Increase <u>(Decrease)</u> |
|-----------------------------|-------------------------|-------------------------|-------------------------------|
| Taxes | \$95,447,325 | \$97,367,954 | (\$1,920,629) |
| Tuition | 2,958,440 | 2,098,694 | 859,746 |
| Transportation Fees | 563,781 | 572,147 | (8,366) |
| Investment Earnings | 1,415,336 | 267,098 | 1,148,238 |
| Extracurricular Activities | 221,387 | 239,846 | (18,459) |
| Class Materials and Fees | 55,122 | 57,104 | (1,982) |
| Intergovernmental - State | 272,132,565 | 249,953,333 | 22,179,232 |
| Intergovernmental - Federal | 901,564 | 10,094,960 | (9,193,396) |
| All Other Revenue | 5,779,281 | 4,513,424 | 1,265,857 |
| Total | <u>\$379,474,801</u> | <u>\$365,164,560</u> | <u>\$14,310,241</u> |

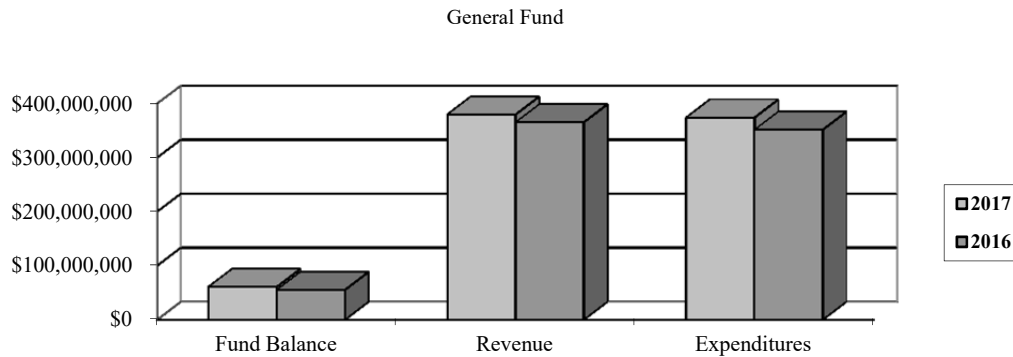
During fiscal year 2017 total General Fund revenues increased by approximately 3.9%. The material make up of this increase is from State revenue with the District's State Share Index increasing.

| | 2017 <u>Expenditures</u> | 2016 <u>Expenditures</u> | Increase <u>(Decrease)</u> |
|----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Instruction | \$244,391,105 | \$232,148,417 | \$12,242,688 |
| Supporting Services | 120,881,844 | 105,916,449 | 14,965,395 |
| Non-Instructional Services | 5,376,113 | 5,524,433 | (148,320) |
| Extracurricular Activities | 2,901,841 | 2,679,071 | 222,770 |
| Capital Outlay | 299,343 | 5,078,275 | (4,778,932) |
| Total | <u>\$373,850,246</u> | <u>\$351,346,645</u> | <u>\$22,503,601</u> |

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017**

Unaudited



During fiscal year 2017 total General Fund expenditures increased by about 6.4%. 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.

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:

| | Original Budget | Final Budget | Percent of Change |
|--------------|--------------------|-----------------|----------------------|
| General Fund | | | |
| Revenue | \$363,225,983 | \$363,225,983 | 0.00% |
| Expenditures | 380,580,170 | 396,255,136 | 4.12% |

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2017 the District had \$524,377,375 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2017 and 2016 balances:

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------|----------------------------|----------------------|------------------------|
| | 2017 | 2016 | |
| Land | \$13,897,335 | \$13,897,335 | \$0 |
| Land Improvements | 8,533,154 | 8,533,154 | 0 |
| Buildings | 614,927,050 | 614,927,050 | 0 |
| Building Improvements | 27,414,911 | 27,414,911 | 0 |
| Machinery and Equipment | 18,704,711 | 16,966,539 | 1,738,172 |
| Vehicles | 13,217,710 | 12,859,058 | 358,652 |
| Less: Accumulated Depreciation | <u>(172,317,496)</u> | <u>(157,491,969)</u> | <u>(14,825,527)</u> |
| Totals | <u>\$524,377,375</u> | <u>\$537,106,078</u> | <u>(\$12,728,703)</u> |

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 10).

Debt - At June 30, 2017, the District had \$128,604,995 in General Obligation Bonds outstanding, \$5,524,995 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2017 and 2016:

| | 2017 | 2016 |
|--------------------------|----------------------|----------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$128,604,995 | \$134,029,995 |
| Premium on G.O. Bonds | 14,191,279 | 15,347,674 |
| Net Pension Liability | 496,137,545 | 396,937,061 |
| Compensated Absences | 14,462,860 | 14,004,115 |
| Totals | <u>\$653,396,679</u> | <u>\$560,318,845</u> |

Under current state statutes, the District's debt issue is subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2017, 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 13).

TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2017*

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 2017.

FY17 had an additional two percent increase in salaries for employees in January. The current collective bargaining agreements extend through FY20, with wage increases in each contract year.

As of the October 2017 five-year forecast, the District projects a decreased balance through Fiscal Year 2021.

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, 2017

| | Governmental Activities |
|--|------------------------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 160,400,089 |
| Receivables: | |
| Taxes | 135,390,697 |
| Accounts | 2,297,721 |
| Intergovernmental | 21,271,359 |
| Interest | 1,793,861 |
| Inventory Held for Resale | 354,376 |
| Capital Assets Not Being Depreciated | 13,897,335 |
| Capital Assets Being Depreciated, Net | 510,480,040 |
| Total Assets | 845,885,478 |
| Deferred Outflows of Resources: | |
| Deferred Loss on Debt Refunding | 6,622,077 |
| Pension | 109,515,639 |
| Total Deferred Outflows of Resources | 116,137,716 |
| Liabilities: | |
| Accounts Payable | 24,862,548 |
| Accrued Wages and Benefits | 35,055,300 |
| Intergovernmental Payable | 5,769,549 |
| Accrued Interest Payable | 497,550 |
| Long Term Liabilities: | |
| Due Within One Year | 7,281,803 |
| Due in More Than One Year: | |
| Net Pension Liability | 496,137,545 |
| Other Amounts Due in More Than One Year | 149,977,331 |
| Total Liabilities | 719,581,626 |
| Deferred Inflows of Resources: | |
| Property Tax for Next Fiscal Year | 99,696,016 |
| Total Deferred Inflows of Resources | 99,696,016 |

TOLEDO CITY SCHOOL DISTRICT

| | Governmental Activities |
|----------------------------------|------------------------------------|
| Net Position: | |
| Net Investment in Capital Assets | 388,203,178 |
| Restricted For: | |
| Capital Projects | 10,520,906 |
| Debt Service | 7,445,781 |
| Permanent Fund: | |
| Expendable | 176,178 |
| Nonexpendable | 566,932 |
| School Facilities Maintenance | 13,092,460 |
| Auxiliary Services | 93,640 |
| Head Start | 4,960,655 |
| Student Activities | 331,068 |
| Special Education - Handicapped | 1,788,162 |
| Title I School Improvement | 986,672 |
| Title I | 3,829,593 |
| Improving Teacher Quality | 982,736 |
| Miscellaneous Federal Grants | 1,704,634 |
| Other Purposes | 2,121,239 |
| Unrestricted (Deficit) | <u>(294,058,282)</u> |
| Total Net Position | <u>\$ 142,745,552</u> |

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2017**

| | 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 | \$ 286,130,941 | \$ 3,278,656 | \$ 14,161,181 | \$ 19,073 | \$ (268,672,031) |
| Support Services | 140,445,126 | 7,025,108 | 18,053,127 | 138,944 | (115,227,947) |
| Non-Instructional Services | 30,991,650 | 0 | 13,602,142 | 0 | (17,389,508) |
| Extracurricular Activities | 3,503,091 | 2,306,953 | 825,965 | 0 | (370,173) |
| Interest and Fiscal Charges | 4,641,812 | 0 | 0 | 0 | (4,641,812) |
| Totals | <u>\$ 465,712,620</u> | <u>\$ 12,610,717</u> | <u>\$ 46,642,415</u> | <u>\$ 158,017</u> | <u>(406,301,471)</u> |
| General Revenues | | | | | |
| Property Taxes Levied for: | | | | | |
| General Purposes | | | | | 105,095,175 |
| Special Purposes | | | | | 1,025,900 |
| Debt Service | | | | | 10,713,273 |
| Capital Outlay | | | | | 3,335,814 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 283,724,348 |
| Investment Earnings | | | | | 2,820,856 |
| Miscellaneous | | | | | 46,447 |
| Total General Revenues | | | | | <u>406,761,813</u> |
| Change in Net Position | | | | | 460,342 |
| Net Position Beginning of Year, as Restated | | | | | <u>142,285,210</u> |
| Net Position End of Year | | | | | <u>\$ 142,745,552</u> |

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2017**

| | General | Total Nonmajor Funds | Total Governmental Funds |
|---|-----------------------|-------------------------|--------------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 82,975,380 | \$ 48,998,010 | \$ 131,973,390 |
| Receivables: | | | |
| Taxes | 118,667,713 | 16,722,984 | 135,390,697 |
| Accounts | 2,071,284 | 52,359 | 2,123,643 |
| Intergovernmental | 1,157,591 | 20,109,569 | 21,267,160 |
| Interest | 1,130,101 | 463,600 | 1,593,701 |
| Interfund Loan Receivable | 2,001,985 | 0 | 2,001,985 |
| Inventory Held for Resale | 73,732 | 280,644 | 354,376 |
| Total Assets | <u>\$ 208,077,786</u> | <u>\$ 86,627,166</u> | <u>\$ 294,704,952</u> |
| Liabilities: | | | |
| Accounts Payable | \$ 5,045,844 | \$ 19,010,423 | \$ 24,056,267 |
| Accrued Wages and Benefits | 25,230,317 | 3,975,985 | 29,206,302 |
| Intergovernmental Payable | 4,975,618 | 743,664 | 5,719,282 |
| Interfund Loans Payable | 0 | 2,001,985 | 2,001,985 |
| Total Liabilities | <u>35,251,779</u> | <u>25,732,057</u> | <u>60,983,836</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Amounts | 24,555,772 | 19,102,437 | 43,658,209 |
| Property Tax for Next Fiscal Year | 87,759,051 | 11,936,965 | 99,696,016 |
| Total Deferred Inflows of Resources | <u>112,314,823</u> | <u>31,039,402</u> | <u>143,354,225</u> |
| Fund Balances: | | | |
| Nonspendable | 73,732 | 847,576 | 921,308 |
| Restricted | 0 | 30,278,420 | 30,278,420 |
| Committed | 6,621,906 | 0 | 6,621,906 |
| Assigned | 2,559,940 | 0 | 2,559,940 |
| Unassigned | 51,255,606 | (1,270,289) | 49,985,317 |
| Total Fund Balances | <u>60,511,184</u> | <u>29,855,707</u> | <u>90,366,891</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 208,077,786</u> | <u>\$ 86,627,166</u> | <u>\$ 294,704,952</u> |

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, 2017***

| | | | |
|---|----------------------|----|--------------------|
| Total Governmental Fund Balances | | \$ | 90,366,891 |
| <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. | | | 524,377,375 |
| Other long-term assets are not available to pay for current- period expenditures and therefore are unavailable in the funds. | | | |
| Property Taxes | 28,335,118 | | |
| Intergovernmental | <u>15,323,091</u> | | 43,658,209 |
| 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 | 109,515,639 | | |
| Net Pension Liability | <u>(496,137,545)</u> | | (386,621,906) |
| 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. | | | (497,550) |
| 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. | | | 22,099,590 |
| 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 | (142,796,274) | | |
| Deferred Loss on Debt Issuance | 6,622,077 | | |
| Compensated Absences Payable | <u>(14,462,860)</u> | | (150,637,057) |
| <i>Net Position of Governmental Activities</i> | | \$ | <u>142,745,552</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, 2017**

| | General | Total Nonmajor Funds | Total Governmental Funds |
|--|----------------------|-------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$ 95,447,325 | \$ 14,068,314 | \$ 109,515,639 |
| Tuition | 2,958,440 | 316,645 | 3,275,085 |
| Transportation Fees | 563,781 | 0 | 563,781 |
| Food Services | 0 | 614,879 | 614,879 |
| Investment Earnings | 1,415,336 | 1,256,954 | 2,672,290 |
| Extracurricular Activities | 221,387 | 380,646 | 602,033 |
| Class Materials and Fees | 55,122 | 3,571 | 58,693 |
| Intergovernmental - State | 272,132,565 | 8,122,240 | 280,254,805 |
| Intergovernmental - Federal | 901,564 | 48,857,040 | 49,758,604 |
| All Other Revenue | 5,779,281 | 1,771,474 | 7,550,755 |
| Total Revenue | 379,474,801 | 75,391,763 | 454,866,564 |
| Expenditures: | | | |
| Current: | | | |
| Instruction | 244,391,105 | 17,036,006 | 261,427,111 |
| Supporting Services | 120,881,844 | 18,625,470 | 139,507,314 |
| Non-Instructional Services | 5,376,113 | 24,527,357 | 29,903,470 |
| Extracurricular Activities | 2,901,841 | 521,091 | 3,422,932 |
| Capital Outlay | 299,343 | 1,630,279 | 1,929,622 |
| Debt Service: | | | |
| Principal Retirement | 0 | 5,425,000 | 5,425,000 |
| Interest and Fiscal Charges | 0 | 5,404,941 | 5,404,941 |
| Total Expenditures | 373,850,246 | 73,170,144 | 447,020,390 |
| Excess (Deficiency) of Revenues Over Expenditures | 5,624,555 | 2,221,619 | 7,846,174 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 5,398 | 128,961 | 134,359 |
| Transfers Out | (128,961) | (5,398) | (134,359) |
| Total Other Financing Sources (Uses) | (123,563) | 123,563 | 0 |
| Net Change in Fund Balance | 5,500,992 | 2,345,182 | 7,846,174 |
| Fund Balances at Beginning of Year, as Restated | 55,010,192 | 27,510,525 | 82,520,717 |
| Fund Balances End of Year | \$ 60,511,184 | \$ 29,855,707 | \$ 90,366,891 |

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, 2017***

Net Change in Fund Balances - Total Governmental Funds \$ 7,846,174

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

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

| | | |
|----------------|---------------------|--------------|
| Capital Outlay | 2,096,824 | |
| Depreciation | <u>(14,825,527)</u> | (12,728,703) |

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

| | | |
|-------------------|----------------|------------|
| Property Taxes | 10,654,523 | |
| Intergovernmental | <u>511,371</u> | 11,165,894 |

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

24,966,794

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

(44,713,262)

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 | 5,425,000 | |
| Amortization of Deferred Loss on G.O. Bonds | (497,919) | |
| Amortization of Premium on G.O. Bonds | <u>1,156,395</u> | 6,083,476 |

(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 104,653

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 (458,745)

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.

8,194,061

Change in Net Position of Governmental Activities

\$ 460,342

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, 2017**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|--------------------|---|
| Revenues: | | | | |
| Revenue from Local Sources | \$ 102,415,965 | \$ 102,415,965 | \$ 106,580,203 | \$ 4,164,238 |
| Revenue from State Sources | 252,681,823 | 252,681,823 | 272,132,565 | 19,450,742 |
| Revenue from Federal Sources | 1,845,145 | 1,845,145 | 901,564 | (943,581) |
| Total Revenues | <u>356,942,933</u> | <u>356,942,933</u> | <u>379,614,332</u> | <u>22,671,399</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional Services: | | | | |
| Regular | 95,169,282 | 100,942,534 | 98,790,774 | 2,151,760 |
| Special | 50,633,178 | 47,925,165 | 47,925,165 | 0 |
| Vocational Education | 7,490,401 | 8,480,634 | 7,686,957 | 793,677 |
| Other | 94,499,223 | 95,036,657 | 95,036,657 | 0 |
| Support Services: | | | | |
| Pupils | 18,873,763 | 19,263,004 | 17,397,755 | 1,865,249 |
| Instructional Staff | 9,911,818 | 10,045,046 | 9,501,209 | 543,837 |
| Board of Education | 42,705 | 80,617 | 76,866 | 3,751 |
| Administration | 19,951,458 | 21,239,164 | 19,904,174 | 1,334,990 |
| Fiscal Services | 7,166,695 | 7,259,608 | 6,820,032 | 439,576 |
| Business | 2,344,908 | 2,552,498 | 2,364,053 | 188,445 |
| Operation and Maintenance of Plant | 30,783,365 | 35,397,997 | 35,397,997 | 0 |
| Pupil Transportation | 16,729,684 | 16,631,871 | 16,380,963 | 250,908 |
| Central | 8,978,815 | 9,851,897 | 9,439,808 | 412,089 |
| Other Services: | | | | |
| Community Services | 305,678 | 407,398 | 407,398 | 0 |
| Shared Services | 3,250,803 | 3,059,495 | 2,881,848 | 177,647 |
| Other Operation of Non-Instructional Services | 6,988,245 | 1,652,113 | 1,071,717 | 580,396 |
| Academic and Subject Oriented Activities | 147,467 | 149,259 | 126,964 | 22,295 |
| Occupation Oriented Activities | 0 | 62,885 | 60,936 | 1,949 |
| Sport Oriented Activities | 2,237,550 | 2,284,512 | 2,284,512 | 0 |
| School and Public Service Co-Curricular. Activities | 53,672 | 55,186 | 51,200 | 3,986 |
| Site Improvement Services | 300,000 | 300,000 | 297,773 | 2,227 |
| Total Expenditures | <u>375,858,710</u> | <u>382,677,540</u> | <u>373,904,758</u> | <u>8,772,782</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (18,915,777) | (25,734,607) | 5,709,574 | 31,444,181 |

(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 Out | (476,960) | (470,525) | (283,708) | 186,817 |
| Advances In | 6,278,050 | 6,278,050 | 8,919,571 | 2,641,521 |
| Advances Out | (4,244,000) | (13,106,571) | (807,000) | 12,299,571 |
| Refund of Prior Year's Expenditures | 5,000 | 5,000 | 35,572 | 30,572 |
| Refund of Prior Year's Receipts | (500) | (500) | 0 | 500 |
| Total Other Financing Sources (Uses): | <u>1,561,590</u> | <u>(7,294,546)</u> | <u>7,864,435</u> | <u>15,158,981</u> |
| Net Change in Fund Balance | (17,354,187) | (33,029,153) | 13,574,009 | 46,603,162 |
| Fund Balance at Beginning of Year, Restated | 54,916,700 | 54,916,700 | 54,916,700 | 0 |
| Prior Year Encumbrances | 6,537,471 | 6,537,471 | 6,537,471 | 0 |
| Fund Balance at End of Year | <u>\$ 44,099,984</u> | <u>\$ 28,425,018</u> | <u>\$ 75,028,180</u> | <u>\$ 46,603,162</u> |

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Net Position
Proprietary Funds
June 30, 2017***

| | Governmental Activities - Internal Service Funds |
|-----------------------------|---|
| Assets: | |
| <i>Current Assets:</i> | |
| Cash and Cash Equivalents | \$ 28,426,699 |
| Receivables: | |
| Accounts | 174,078 |
| Intergovernmental | 4,199 |
| Interest | 200,160 |
| Total Assets | <u>28,805,136</u> |
| Liabilities: | |
| <i>Current Liabilities:</i> | |
| Accounts Payable | 806,281 |
| Accrued Wages and Benefits | 5,848,998 |
| Intergovernmental Payable | 50,267 |
| Total Liabilities | <u>6,705,546</u> |
| Net Position: | |
| Unrestricted | <u>22,099,590</u> |
| Total Net Position | <u>\$ 22,099,590</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, 2017***

| | Governmental Activities - Internal Service Funds |
|---|---|
| Operating Revenues: | |
| Interfund Charges | \$ 54,351,063 |
| Total Operating Revenues | <u>54,351,063</u> |
| Operating Expenses: | |
| Personal Services | 1,153,469 |
| Purchased Services | 45,254,887 |
| Total Operating Expenses | <u>46,408,356</u> |
| Operating Income | 7,942,707 |
| Nonoperating Revenue (Expenses): | |
| Investment Earnings | 251,354 |
| Total Nonoperating Revenues (Expenses) | <u>251,354</u> |
| Change in Net Position | 8,194,061 |
| Net Position Beginning of Year, as Restated | 13,905,529 |
| Net Position End of Year | <u>\$ 22,099,590</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, 2017

| | Governmental Activities - Internal Service Funds |
|---|---|
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Received from Interfund Charges | \$54,309,426 |
| Cash Payments to Employees for Services and Benefits | (47,840,310) |
| Net Cash Provided by Operating Activities | <u>6,469,116</u> |
| <u>Cash Flows from Investing Activities:</u> | |
| Receipts of Interest | 77,230 |
| Net Cash Provided by Investing Activities | <u>77,230</u> |
| Net Increase in Cash and Cash Equivalents | 6,546,346 |
| Cash and Cash Equivalents at Beginning of Year, as Restated | 21,880,353 |
| Cash and Cash Equivalents at End of Year | <u><u>\$28,426,699</u></u> |
| <u>Reconciliation of Operating Income to Net Cash</u> | |
| <u>Provided by Operating Activities:</u> | |
| Operating Income | \$7,942,707 |
| Adjustments to Reconcile Operating Income to | |
| Net Cash Provided by Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Increase in Accounts Receivable | (29,491) |
| Decrease in Intergovernmental Receivables | 249 |
| Decrease in Accounts Payable | (1,605,066) |
| Increase in Accrued Wages and Benefits | 376,198 |
| Decrease in Intergovernmental Payables | (215,481) |
| Total Adjustments | <u>(1,473,591)</u> |
| Net Cash Provided by Operating Activities | <u><u>\$6,469,116</u></u> |

During 2017 the fair value of investments decreased by \$22,788 and \$2,770 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, 2017**

| | Private Purpose Trust Special Trust Fund | Agency |
|---------------------------|---|----------------|
| Assets: | | |
| Cash and Cash Equivalents | \$ 2,816,524 | \$ 160,570 |
| Receivables: | | |
| Interest | 13,550 | 3,010 |
| Total Assets | <u>2,830,074</u> | <u>163,580</u> |
| Liabilities: | | |
| Accounts Payable | 890 | 1,208 |
| Due to Students | 0 | 162,372 |
| Total Liabilities | <u>890</u> | <u>163,580</u> |
| Net Position: | | |
| Unrestricted | 2,829,184 | 0 |
| Total Net Position | <u>\$ 2,829,184</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, 2017**

| | <u>Private Purpose Trust Special Trust Fund</u> |
|--|---|
| Additions: | |
| Contributions: | |
| Sales | \$ 6,510 |
| Private Donations | <u>1,214,453</u> |
| Total Contributions | <u>1,220,963</u> |
| Investment Earnings: | |
| Interest | <u>15,708</u> |
| Total Investment Earnings | <u>15,708</u> |
| Total Additions | <u>1,236,671</u> |
| Deductions: | |
| Administrative Expenses | <u>670,620</u> |
| Total Deductions | <u>670,620</u> |
| Change in Net Position | 566,051 |
| Net Position at Beginning of Year, as Restated | <u>2,263,133</u> |
| Net Position End of Year | <u>\$ 2,829,184</u> |

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2017

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 1,648 noncertified and approximately 1,870 certified teaching personnel and administrative employees providing education to 22,090 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, 2017***

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, severance pay, 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, 2017***

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, 2017***

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, 2017***

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

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 2017.

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***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

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 2017 the Board of Education passed the annual certification on June 23, 2016.

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, 2017**

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:

| | Net Change in Fund Balance |
|---|----------------------------|
| | <u>General Fund</u> |
| GAAP Basis (as reported) | \$5,500,992 |
| Increase (Decrease): | |
| Accrued Revenues at June 30, 2017, received during FY 2018 | (11,797,770) |
| Accrued Revenues at June 30, 2016, received during FY 2017 | 20,756,435 |
| Accrued Expenditures at June 30, 2017, paid during FY 2018 | 35,251,779 |
| Accrued Expenditures at June 30, 2016, paid during FY 2017 | (28,292,060) |
| Perspective Difference: | |
| 2016 Advance to Fiduciary Fund | 60,000 |
| 2017 Advance to Fiduciary Fund | (66,600) |
| Activity of Funds Reclassified For GAAP Reporting Purposes | 51,287 |
| 2016 Adjustment to Fair Value | (154,523) |
| 2017 Adjustment to Fair Value | 149,881 |
| Encumbrances Outstanding | (7,885,412) |
| Budget Basis | <u>\$13,574,009</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, 2017, 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, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

During fiscal year 2017, 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 nonparticipating 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 in accordance with Board Policy, Board Resolution and the Administrative Policy for Investment and Cash Management Activity. The District's investments are affected by fair value change; therefore, they are participating. Interest revenue credited to the General Fund during fiscal year 2017 amounted to \$1,415,336, which includes \$687,216 assigned from other funds.

The District has invested funds in the STAR Ohio during 2017. 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, 2017.

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 the Severance Fund and distributes interest earned directly to the funds. See Note 5, "Cash, Cash Equivalents and Investments."

From June 30, 2016 to June 30, 2017, the investment portfolio exhibited an increase in fair value of approximately \$29,489,606 from \$140,879,819.63 to \$170,369,425.60, while the average maturity as measured by remaining life increase by 103 days from 110 days to 127 days; and the average yield increased by 42 basis points (.418%) from .447% to .865%. The increase in fair value was directly attributable to the increase and stability in fund balances, providing additional monies for investment purposes.

From June 30, 2016 to June 30, 2017, interest earnings receipted on a cash basis for all funds increased from \$1,034,335 to \$2,738,116. As of June 30, 2017, there were additional interest earnings of \$1,809,095.37 to be receipted in future months. Interest earnings on a cash basis increased approximately 165% as interest rates continued to rise and available fund balances to invest increased.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

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.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, 2017***

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 Districts 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, 2017***

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, 2017***

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 2017.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

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 11.

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 11.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

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

During the year ended June 30, 2017, it was determined that there were cash basis posting errors to the District's accounting system. The District has also implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

The adjustments for the posting errors and the implementation of these pronouncements had the following effect on net position as reported June 30, 2016:

| | Governmental Activities | General Fund | Nonmajor Governmental Funds | Internal Service Funds | Private Purpose Trust Fund |
|-------------------------------------|----------------------------|---------------------|-----------------------------------|------------------------------|----------------------------------|
| Net position June 30, 2016 | \$138,871,818 | \$53,441,552 | \$31,699,873 | \$7,871,429 | \$2,254,301 |
| Adjustments: | | | | | |
| Cash Basis Posting Error | 3,028,264 | 1,571,329 | (4,577,165) | 6,034,100 | 8,832 |
| GAAP Basis Posting Error | 385,128 | (2,689) | 387,817 | 0 | 0 |
| Restated Net Position June 30, 2016 | <u>\$142,285,210</u> | <u>\$55,010,192</u> | <u>\$27,510,525</u> | <u>\$13,905,529</u> | <u>\$2,263,133</u> |

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 3 – FUND BALANCES

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

| <u>Fund Balances</u> | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|-------------------------|---|---|
| Nonspendable: | | | |
| Supplies Inventory | \$73,732 | \$280,644 | \$354,376 |
| Corpus | 0 | 566,932 | 566,932 |
| Total Nonspendable | <u>73,732</u> | <u>847,576</u> | <u>921,308</u> |
| Restricted: | | | |
| Endowments | 0 | 176,178 | 176,178 |
| Food Services | 0 | 499,680 | 499,680 |
| Adult Education | 0 | 356,746 | 356,746 |
| School Facilities Maintenance | 0 | 12,833,597 | 12,833,597 |
| Auxiliary Services | 0 | 94,475 | 94,475 |
| Extracurricular Activities | 0 | 331,068 | 331,068 |
| Technology Improvements | 0 | 58,015 | 58,015 |
| Special Education | 0 | 34,126 | 34,126 |
| Targeted Academic Assistance | 0 | 571,510 | 571,510 |
| Debt Service Payments | 0 | 5,199,427 | 5,199,427 |
| Capital Acquisition and Improvement | 0 | 10,123,598 | 10,123,598 |
| Total Restricted | <u>0</u> | <u>30,278,420</u> | <u>30,278,420</u> |
| Committed: | | | |
| Budget Stabilization | 6,621,906 | 0 | 6,621,906 |
| Assigned: | | | |
| Encumbrances for Purchase Orders | 1,426,305 | 0 | 1,426,305 |
| Uniform School Supplies | 570,832 | 0 | 570,832 |
| Rotary Special Services | 85,104 | 0 | 85,104 |
| Public School Support | 477,699 | 0 | 477,699 |
| Total Assigned | <u>2,559,940</u> | <u>0</u> | <u>2,559,940</u> |
| Unassigned (Deficits): | <u>51,255,606</u> | <u>(1,270,289)</u> | <u>49,985,317</u> |
| Total Fund Balances (Deficits) | <u>\$60,511,184</u> | <u>\$29,855,707</u> | <u>\$90,366,891</u> |

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at June 30, 2017 of \$800 in the Severance Liabilities Fund (Internal Service Fund), \$40,105 in the Alternative Schools Fund, \$9,791 in the Miscellaneous State Grant Fund, \$520 in the Race to the Top Fund, \$418,654 in the Special Education Handicapped Fund, \$150,448 in the Vocational Education Fund, \$229 in the Title VII Bilingual Education Program Fund, \$11,464 in the Preschool Grants for the Handicapped Fund, \$79,300 in the Improving Teacher Quality Fund, \$38,914 in the Miscellaneous Federal Grants Fund, \$141,467 in the Title I School Improvement Stimulus A Fund and \$126 in the Title I School Improvement Stimulus G Fund (special revenue funds) and \$379,271 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 Adult Education Fund by \$10,585 and the Permanent Improvement Fund by \$42,003. 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, 2017***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with Financial Institutions

At June 30, 2017, the fair value of all District deposits was \$41,240,538. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, at June 30, 2017 cash concentration accounts, savings accounts, mutual funds, Star Ohio (State Asset Reserve Fund) and certificates of deposit totaled \$48,232,780. Of this amount, \$47,482,780 was exposed to custodial risk as discussed below, while \$750,000 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, 2017, 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, 2017**

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

Investments

As of June 30, 2017, the District had the following investments and maturities.

| Investment Type | June 30, 2017 | June 30, 2017 | Fair Value Hierarchy | Investment Maturities (in Years) | | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------------------|--------------------|---------------------|
| | Adjusted Cost | Fair Value | | less than 1 | 1-2 | 2-5 |
| Star Ohio | \$11,498,024 | \$11,498,024 | N/A | \$11,498,024 | \$0 | \$0 |
| Commercial Paper | 36,616,359 | 36,676,098 | Level 2 | 36,676,098 | 0 | 0 |
| US Treasury Securities | 47,819,473 | 47,924,377 | Level 1 | 24,473,049 | 4,913,271 | 18,538,057 |
| Non-Callable US Agency Securities | 25,971,795 | 26,038,146 | Level 2 | 26,038,146 | 0 | 0 |
| Total Investments | <u>\$121,905,651</u> | <u>\$122,136,645</u> | | <u>\$98,685,317</u> | <u>\$4,913,271</u> | <u>\$18,538,057</u> |
| | | | | <u>80.80%</u> | <u>4.02%</u> | <u>15.18%</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: | 305 |
| The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is: | 213 |
| The Average Duration of the Entire Investment Portfolio is: | 0.57 |
| The Weighted Average Coupon of the Entire Portfolio is: | 0.332% |
| The Weighted Average Yield of the Entire Portfolio is: | 0.865% |

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, 2017, a little over eighty percent (80.80%) of the investment portfolio matures within one year.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 5 - 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, 2017**

NOTE 5 - 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, 2017:

Concentration of Credit Risk by Investment Type

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Percent to Total</u> |
|-----------------------------------|----------------------|-----------------------------|
| STAR Ohio | \$11,498,024 | 9.41% |
| Commercial Paper | 36,676,098 | 30.03% |
| Non-Callable US Agency Securities | 47,924,377 | 39.24% |
| Callable US Agency Securities | 26,038,146 | 21.32% |
| Total Investments | <u>\$122,136,645</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, 2017:

| <u>Issuer</u> | <u>Fair Value</u> | <u>Percent to Total</u> |
|--|----------------------|-----------------------------|
| STAR Ohio | \$11,498,024 | 9.41% |
| Abbey National Treasury Services | 7,579,820 | 6.21% |
| Bank of Tokyo-MIT UFJ NY | 6,171,103 | 5.05% |
| General Electric Capital Treasury LLC | 6,177,902 | 5.06% |
| MetLife Short Term Funding Inc. | 7,773,480 | 6.36% |
| Natixis New York Branch | 5,698,283 | 4.67% |
| Credit Agricole CIB NY | 3,275,510 | 2.68% |
| United States Treasury Securities | 47,924,377 | 39.24% |
| Federal Home Loan Mortgage Corporation | 26,038,146 | 21.32% |
| Total Investments | <u>\$122,136,645</u> | <u>100.00%</u> |

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 6 - PROPERTY TAXES

A. Property Tax

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 2017 were levied after April 1, 2016 on assessed values as of January 1, 2016, 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 2017, upon which the 2016 levies were based, were as follows:

| | <u>2016 Second Half Collections</u> | <u>2017 First Half Collections</u> |
|---|---|--|
| Real Estate | \$2,105,181,470 | \$2,089,001,810 |
| Tangible Personal and Public Utility Property | 150,900,110 | 179,272,160 |
| Total Assessed Value | <u>\$2,256,081,580</u> | <u>\$2,268,273,970</u> |
| Tax rate per \$1,000 of assessed valuation | \$73.10 | \$73.10 |

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 6 - PROPERTY TAXES (Continued)

B. Tax Abatements

Real Estate Tax Abatements

As of June 30, 2017, the City of Toledo and Lucas County provide tax incentives under three programs: Tax Increment Financing (TIF), Enterprise Zones, and Community Reinvestment Areas (CRA).

Pursuant to Ohio Revised Code Chapter 5709, the City of Toledo and Lucas County established Community Reinvestment Areas and Enterprise Zones. The City and County authorize incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each business. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Areas gave the City and County the ability to maintain and expand business located within the City and County and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas. The City of Toledo and Lucas County also enter into various contracts with the benefitting business and the Toledo City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

The City and County have offered the tax abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

The City of Toledo had 23 individual agreements under these programs. These abatements reduced the District's property tax revenues by \$1,447,336 in fiscal year 2017.

Lucas County had 5 individual agreements under these programs. These abatements reduced the District's property tax revenues by \$200,817 in in fiscal year 2017.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 7 - RECEIVABLES

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

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2017 from one individual fund to another are as follows:

| | Interfund Loan Receivable | Interfund Loan Payable |
|-----------------------------|------------------------------|---------------------------|
| General Fund | \$2,001,985 | \$0 |
| Nonmajor Governmental Funds | 0 | 2,001,985 |
| Totals | <u>\$2,001,985</u> | <u>\$2,001,985</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 9 - TRANSFERS

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

| | Transfers In: | | |
|-----------------------------|-----------------|-----------------------------------|------------------|
| | General Fund | Nonmajor Governmental Funds | Total |
| <u>Transfers Out:</u> | | | |
| General Fund | \$0 | \$128,961 | \$128,961 |
| Nonmajor Governmental Funds | 5,398 | 0 | 5,398 |
| | <u>\$5,398</u> | <u>\$128,961</u> | <u>\$134,359</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, 2017**

NOTE 10 - CAPITAL ASSETS

Governmental Activities Capital Assets

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

Historical Cost:

| Class | June 30, 2016 | Additions | Deletions | June 30, 2017 |
|--|----------------------|--------------------|------------|----------------------|
| <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 | 27,414,911 | 0 | 0 | 27,414,911 |
| Machinery and Equipment | 16,966,539 | 1,738,172 | 0 | 18,704,711 |
| Vehicles | 12,859,058 | 358,652 | 0 | 13,217,710 |
| Total Cost | <u>\$694,598,047</u> | <u>\$2,096,824</u> | <u>\$0</u> | <u>\$696,694,871</u> |

Accumulated Depreciation:

| Class | June 30, 2016 | Additions | Deletions | June 30, 2017 |
|-------------------------|------------------------|-------------------------|------------|------------------------|
| Land Improvements | (\$8,429,558) | (\$68,058) | \$0 | (\$8,497,616) |
| Buildings | (106,822,058) | (12,005,434) | 0 | (118,827,492) |
| Building Improvements | (20,284,418) | (172,576) | 0 | (20,456,994) |
| Machinery and Equipment | (12,394,012) | (1,622,933) | 0 | (14,016,945) |
| Vehicles | (9,561,923) | (956,526) | 0 | (10,518,449) |
| Total Depreciation | <u>(\$157,491,969)</u> | <u>(\$14,825,527) *</u> | <u>\$0</u> | <u>(\$172,317,496)</u> |
| <i>Net Value:</i> | <u>\$537,106,078</u> | | | <u>\$524,377,375</u> |

* Depreciation expenses were charged to governmental functions as follows:

| | |
|----------------------------|---------------------|
| Instruction | \$12,612,370 |
| Support Services | 2,057,280 |
| Non-Instructional Services | 146,090 |
| Extracurricular Activities | 9,787 |
| Total Depreciation Expense | <u>\$14,825,527</u> |

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

A. 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, 2017**

NOTE 11 - 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, 2017, 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 \$5,738,538 for fiscal year 2017. Of this amount \$1,127,616 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 11 - 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, 2017***

NOTE 11 - 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. For the fiscal year ended June 30, 2017, the employer rate was 14% and the member rate was 14% of covered payroll. The entire 14% was used to fund pension obligations. The statutory maximum employer rate is 14%.

The District's contractually required contribution to STRS was \$19,228,256 for fiscal year 2017. Of this amount \$3,285,844 is reported as an intergovernmental payable.

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 11 - 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, 2016, 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:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------|
| Proportionate Share of the Net Pension Liability | \$96,210,741 | \$399,926,804 | \$496,137,545 |
| Proportion of the Net Pension Liability -2017 | 1.3145201% | 1.1947738% | |
| Proportion of the Net Pension Liability -2016 | 1.4207686% | 1.1429090% | |
| Percentage Change | <u>(0.1062485%)</u> | <u>0.0518648%</u> | |
| Pension Expense | \$10,016,392 | \$34,696,869 | \$44,713,261 |

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|---------------------|---------------------|----------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$1,297,661 | \$16,158,964 | \$17,456,625 |
| Change of assumptions | 6,422,593 | 0 | 6,422,593 |
| Net difference between projected and actual earnings on pension plan investments | 7,935,988 | 33,204,671 | 41,140,659 |
| School District contributions subsequent to the measurement date | 5,738,538 | 19,228,256 | 24,966,794 |
| Changes in proportionate share | (621,117) | 20,150,085 | 19,528,968 |
| Total Deferred Outflows of Resources | <u>\$20,773,663</u> | <u>\$88,741,976</u> | <u>\$109,515,639</u> |
| Deferred Inflows of Resources | | | |
| Changes in proportionate share | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Total Deferred Inflows of Resources | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

\$24,966,794 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|---------------------|
| Fiscal Year Ending June 30: | | | |
| 2018 | \$4,085,277 | \$13,551,690 | \$17,636,967 |
| 2019 | 4,079,555 | 13,551,692 | 17,631,247 |
| 2020 | 4,589,024 | 26,293,260 | 30,882,284 |
| 2021 | 2,281,269 | 16,117,078 | 18,398,347 |
| Total | <u>\$15,035,125</u> | <u>\$69,513,720</u> | <u>\$84,548,845</u> |

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 11 - 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, 2016, are presented below:

| | |
|--|--|
| Wage Inflation | 3.00 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent |
| COLA or Ad Hoc COLA | 3 percent |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal (Level Percent of Payroll) |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

Changes in Assumptions - SERS

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

| | <u>Fiscal Year 2017</u> | <u>Fiscal Year 2016 and Prior</u> |
|---|---|---|
| Wage Inflation | 3.00 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent | 4.00 percent to 22.00 percent |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation | 7.75 percent net of investments expense, including inflation |

Amounts reported for fiscal year 2017 use mortality assumptions with mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$127,377,027 | \$96,210,741 | \$70,123,265 |

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|--|
| Inflation | 2.75 percent |
| Projected salary increases | 2.75 percent at age 70 to 12.25 percent at age 20 |
| Investment Rate of Return | 7.75 percent, net of investment expenses |
| 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, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return*</u> |
|----------------------|--------------------------|--|
| Domestic Equity | 31.00 % | 8.00 % |
| International Equity | 26.00 | 7.85 |
| Alternatives | 14.00 | 8.00 |
| Fixed Income | 18.00 | 3.75 |
| Real Estate | 10.00 | 6.75 |
| Liquidity Reserves | 1.00 | 3.00 |
| Total | <u>100.00 %</u> | <u>7.61 %</u> |

* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 11 - 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, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the 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 | \$531,470,227 | \$399,926,804 | \$288,962,175 |

E. Changes Between Measurement Date and Report Date

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

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***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 12 - 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 2017, 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 (\$23,500 for 2017), 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, 2017, 2016, and 2015 were \$0, \$0, and \$258,056 respectively; which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017***

NOTE 12 - 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 2017, 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, 2017, 2016, and 2015 were \$0, \$0, and \$0 respectively; which were equal to the required contributions for each year.

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 13 - LONG-TERM DEBT

Long-term debt of the District at June 30, 2017 was as follows:

| Description | Balance June 30, 2016 | Issued | (Retired) | Balance June 30, 2017 | Amount Due Within One Year |
|---|-----------------------------|---------------|--------------|-----------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| <u>General Obligation Bond:</u> | | | | | |
| School Facility Improvement 2009 | | | | | |
| G.O. Bond (2.00% - 5.375%) | \$1,489,995 | \$0 | (\$805,000) | \$684,995 | \$684,995 |
| Premium General Obligation Bond | 17,311 | 0 | (5,770) | 11,541 | 11,541 |
| School Facility Improvement 2012 | | | | | |
| G.O. Bond (2.00% - 5.375%) | 47,965,000 | 0 | (4,545,000) | 43,420,000 | 4,765,000 |
| Premium General Obligation Bond | 4,826,848 | 0 | (536,317) | 4,290,531 | 536,317 |
| School Facility Improvement 2012B | | | | | |
| G.O. Bond (2.00% - 5.375%) | 31,830,000 | 0 | (50,000) | 31,780,000 | 50,000 |
| Premium General Obligation Bond | 4,043,474 | 0 | (237,852) | 3,805,622 | 237,852 |
| School Facility Improvement 2014 | | | | | |
| G.O. Bond (2.00% - 5.00%) | 30,825,000 | 0 | (25,000) | 30,800,000 | 25,000 |
| Premium General Obligation Bond | 3,693,992 | 0 | (230,875) | 3,463,117 | 230,875 |
| School Facility Improvement 2016 | | | | | |
| G.O. Bond (2.00% - 5.00%) | 21,920,000 | 0 | 0 | 21,920,000 | 0 |
| Premium General Obligation Bond | 2,766,049 | 0 | (145,581) | 2,620,468 | 145,581 |
| Total General Obligation Bond | 149,377,669 | 0 | (6,581,395) | 142,796,274 | 6,687,161 |
| (Net Pension Liability) | | | | | |
| School Teachers Retirement System | 315,866,629 | 84,060,175 | 0 | 399,926,804 | 0 |
| School Employees Retirement System | 81,070,432 | 15,140,309 | 0 | 96,210,741 | 0 |
| Total Net Pension Liability | 396,937,061 | 99,200,484 | 0 | 496,137,545 | 0 |
| <u>Other Obligations:</u> | | | | | |
| Compensated Absences | 14,004,115 | 14,462,860 | (14,004,115) | 14,462,860 | 594,642 |
| Long-Term Debt and Other Long-Term Obligations | \$560,318,845 | \$113,663,344 | (20,585,510) | \$653,396,679 | \$7,281,803 |

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, 2017**

NOTE 13 - LONG-TERM DEBT (Continued)

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, 2017, follows:

| General Obligation Bonds Payable | | | |
|----------------------------------|----------------------|---------------------|----------------------|
| Years | Principal | Interest | Total |
| 2018 | 5,524,955 | 7,315,965 | 12,840,920 |
| 2019 | 5,060,040 | 7,110,531 | 12,170,571 |
| 2020 | 6,230,000 | 5,252,363 | 11,482,363 |
| 2021 | 6,460,000 | 4,995,013 | 11,455,013 |
| 2022 | 6,760,000 | 4,541,563 | 11,301,563 |
| 2023-2027 | 37,835,000 | 17,847,444 | 55,682,444 |
| 2028-2032 | 45,305,000 | 8,034,306 | 53,339,306 |
| 2033-2036 | 15,430,000 | 2,874,883 | 18,304,883 |
| Totals | <u>\$128,604,995</u> | <u>\$57,972,068</u> | <u>\$186,577,063</u> |

NOTE 14 - 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, 2017, accumulated available net appreciation of \$176,178 is reported in restricted Net Position.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

NOTE 15 - 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 \$5,848,200 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$50,256 (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 2016 and 2017 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> |
|--------------------|---|----------------------------|---------------------------|--|
| 2016 | \$6,111,715 | 49,510,990 | (49,884,157) | \$5,738,548 |
| 2017 | 5,738,548 | 46,546,688 | (46,386,780) | 5,898,456 |

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, 2017**

NOTE 16 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2017, the reserve activity (cash-basis) was as follows:

| | <u>Capital Maintenance</u> |
|--|--------------------------------|
| Set-aside Balance as of June 30, 2016 | \$0 |
| Current Year Set-Aside Requirement | 3,714,563 |
| Current Year Offset Credits | (6,413,427) |
| Qualifying Disbursements | <u>(10,478,602)</u> |
| Total | <u>(\$13,177,466)</u> |
| Set-aside Balance Carried Forward to FY 2018 | <u>\$0</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 17 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at year-end in the General Fund are \$7,885,412 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 \$280,130 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, 2017***

NOTE 18 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2017.

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, 2017. 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, 2017 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 Three Fiscal Years***

State Teachers Retirement System

| Fiscal Year | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 1.09405021% | 1.14290904% | 1.194774% |
| District's proportionate share of the net pension liability (asset) | \$266,110,874 | \$315,866,629 | \$399,926,804 |
| District's covered-employee payroll | \$115,286,315 | \$114,103,786 | \$123,521,243 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 230.83% | 276.82% | 323.77% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.70% | 72.10% | 66.80% |

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

School Employees Retirement System

| Fiscal Year | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 1.291689% | 1.420769% | 1.314520% |
| District's proportionate share of the net pension liability (asset) | \$65,371,646 | \$81,070,432 | \$96,210,741 |
| District's covered-employee payroll | \$37,746,919 | \$33,411,912 | \$39,854,686 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 173.18% | 242.64% | 241.40% |
| Plan fiduciary net position as a percentage of the total pension liability | 71.70% | 69.16% | 62.98% |

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

Notes: The District implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as the information becomes available. 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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution | \$16,735,409 | \$17,543,409 | \$17,824,505 | \$15,853,676 |
| Contributions in relation to the contractually required contribution | <u>16,735,409</u> | <u>17,543,409</u> | <u>17,824,505</u> | <u>15,853,676</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| District's covered-employee payroll | \$128,733,915 | \$134,949,300 | \$137,111,577 | \$121,951,354 |
| 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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$3,878,404 | \$4,206,668 | \$5,599,201 | \$4,769,037 |
| Contributions in relation to the contractually required contribution | <u>3,878,404</u> | <u>4,206,668</u> | <u>5,599,201</u> | <u>4,769,037</u> |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| District's covered-employee payroll | \$39,494,949 | \$42,750,691 | \$41,353,035 | \$37,939,833 |
| Contributions as a percentage of covered-employee payroll | 9.82% | 9.84% | 13.54% | 12.57% |

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

Notes: The District implemented GASB Statement 68 in 2015.

TOLEDO CITY SCHOOL DISTRICT

| <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$11,793,968 | \$15,535,008 | \$14,987,221 | \$15,974,530 | \$17,292,974 | \$19,228,256 |
| <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>19,228,256</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$90,722,831 | \$119,500,061 | \$115,286,315 | \$114,103,786 | \$123,521,243 | \$137,344,686 |
| 13.00% | 13.00% | 13.00% | 14.00% | 14.00% | 14.00% |

| <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$4,435,526 | \$6,786,840 | \$5,231,723 | \$4,403,690 | \$5,579,656 | \$5,738,538 |
| <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>5,738,538</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$32,977,888 | \$49,037,861 | \$37,746,919 | \$33,411,912 | \$39,854,686 | \$40,989,557 |
| 13.45% | 13.84% | 13.86% | 13.18% | 14.00% | 14.00% |

TOLEDO CITY SCHOOL DISTRICT

Notes to the Required Supplemental Information For the Fiscal Year Ended June 30, 2017

SERS

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

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

STRS

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

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE 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.

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, 2017**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|--------------------------------------|-------------------------------|---------------------------------------|----------------------------|---|
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 15,758,151 | \$ 4,484,648 | \$ 28,020,020 | \$ 735,191 | \$ 48,998,010 |
| Receivables: | | | | | |
| Taxes | 1,175,973 | 11,951,329 | 3,595,682 | 0 | 16,722,984 |
| Accounts | 50,159 | 0 | 2,200 | 0 | 52,359 |
| Intergovernmental | 20,109,569 | 0 | 0 | 0 | 20,109,569 |
| Interest | 157,182 | 0 | 298,499 | 7,919 | 463,600 |
| Inventory Held for Resale | 280,644 | 0 | 0 | 0 | 280,644 |
| Total Assets | \$ 37,531,678 | \$ 16,435,977 | \$ 31,916,401 | \$ 743,110 | \$ 86,627,166 |
| Liabilities: | | | | | |
| Accounts Payable | \$ 959,569 | \$ 0 | \$ 18,050,854 | \$ 0 | \$ 19,010,423 |
| Accrued Wages and Benefits | 3,975,985 | 0 | 0 | 0 | 3,975,985 |
| Intergovernmental Payable | 743,664 | 0 | 0 | 0 | 743,664 |
| Interfund Loans Payable | 1,251,985 | 0 | 750,000 | 0 | 2,001,985 |
| Total Liabilities | 6,931,203 | 0 | 18,800,854 | 0 | 25,732,057 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Amounts | 15,581,954 | 2,743,904 | 776,579 | 0 | 19,102,437 |
| Property Tax for Next Fiscal Year | 849,678 | 8,492,646 | 2,594,641 | 0 | 11,936,965 |
| Total Deferred Inflows of Resources | 16,431,632 | 11,236,550 | 3,371,220 | 0 | 31,039,402 |
| Fund Balances: | | | | | |
| Nonspendable | 280,644 | 0 | 0 | 566,932 | 847,576 |
| Restricted | 14,779,217 | 5,199,427 | 10,123,598 | 176,178 | 30,278,420 |
| Unassigned | (891,018) | 0 | (379,271) | 0 | (1,270,289) |
| Total Fund Balances | 14,168,843 | 5,199,427 | 9,744,327 | 743,110 | 29,855,707 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 37,531,678 | \$ 16,435,977 | \$ 31,916,401 | \$ 743,110 | \$ 86,627,166 |

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-------------------------------|---------------------------------------|----------------------------|---|
| Revenues: | | | | | |
| Taxes | \$ 958,468 | \$ 9,998,494 | \$ 3,111,352 | \$ 0 | \$ 14,068,314 |
| Tuition | 316,645 | 0 | 0 | 0 | 316,645 |
| Food Services | 614,879 | 0 | 0 | 0 | 614,879 |
| Investment Earnings | 888,825 | 0 | 358,912 | 9,217 | 1,256,954 |
| Extracurricular Activities | 380,646 | 0 | 0 | 0 | 380,646 |
| Class Materials and Fees | 3,571 | 0 | 0 | 0 | 3,571 |
| Intergovernmental - State | 5,895,519 | 2,070,904 | 155,817 | 0 | 8,122,240 |
| Intergovernmental - Federal | 48,857,040 | 0 | 0 | 0 | 48,857,040 |
| All Other Revenue | 1,769,274 | 0 | 2,200 | 0 | 1,771,474 |
| Total Revenue | 59,684,867 | 12,069,398 | 3,628,281 | 9,217 | 75,391,763 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | 16,979,479 | 0 | 56,388 | 139 | 17,036,006 |
| Supporting Services | 18,332,303 | 236,921 | 52,122 | 4,124 | 18,625,470 |
| Operation of Non-Instructional Services | 24,527,357 | 0 | 0 | 0 | 24,527,357 |
| Extracurricular Activities | 521,091 | 0 | 0 | 0 | 521,091 |
| Capital Outlay | 9,942 | 0 | 1,620,337 | 0 | 1,630,279 |
| Principal Retirement | 0 | 5,425,000 | 0 | 0 | 5,425,000 |
| Interest and Fiscal Charges | 0 | 5,404,941 | 0 | 0 | 5,404,941 |
| Total Expenditures | 60,370,172 | 11,066,862 | 1,728,847 | 4,263 | 73,170,144 |
| Excess (Deficiency) of Revenues Over Expenditures | (685,305) | 1,002,536 | 1,899,434 | 4,954 | 2,221,619 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 128,961 | 0 | 0 | 0 | 128,961 |
| Transfers Out | (5,398) | 0 | 0 | 0 | (5,398) |
| Total Other Financing Sources (Uses) | 123,563 | 0 | 0 | 0 | 123,563 |
| Net Change in Fund Balances | (561,742) | 1,002,536 | 1,899,434 | 4,954 | 2,345,182 |
| Fund Balances at Beginning of Year, as Restated | 14,730,585 | 4,196,891 | 7,844,893 | 738,156 | 27,510,525 |
| Fund Balances End of Year | \$ 14,168,843 | \$ 5,199,427 | \$ 9,744,327 | \$ 743,110 | \$ 29,855,707 |

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017**

| | Food Service | Adult Education | Other Grants | School Facilities Maintenance |
|---|---------------------|-------------------|-------------------|----------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,058,716 | \$ 471,149 | \$ 506,550 | \$ 12,949,195 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 1,175,973 |
| Accounts | 5,971 | 26,983 | 3,678 | 0 |
| Intergovernmental | 0 | 57,052 | 0 | 0 |
| Interest | 909 | 0 | 0 | 137,929 |
| Inventory Held for Resale | 280,644 | 0 | 0 | 0 |
| Total Assets | <u>\$ 1,346,240</u> | <u>\$ 555,184</u> | <u>\$ 510,228</u> | <u>\$ 14,263,097</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 7,510 | \$ 2,291 | \$ 5,540 | \$ 314,530 |
| Accrued Wages and Benefits | 401,061 | 161,664 | 117,124 | 0 |
| Intergovernmental Payable | 154,340 | 25,243 | 1,750 | 6,429 |
| Interfund Loans Payable | 3,005 | 9,240 | 8,354 | 0 |
| Total Liabilities | <u>565,916</u> | <u>198,438</u> | <u>132,768</u> | <u>320,959</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 0 | 0 | 0 | 258,863 |
| Property Tax for Next Fiscal Year | 0 | 0 | 0 | 849,678 |
| Total Deferred Inflows of Resources | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,108,541</u> |
| Fund Balances: | | | | |
| Nonspendable | 280,644 | 0 | 0 | 0 |
| Restricted | 499,680 | 356,746 | 377,460 | 12,833,597 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balances (Deficit) | <u>780,324</u> | <u>356,746</u> | <u>377,460</u> | <u>12,833,597</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,346,240</u> | <u>\$ 555,184</u> | <u>\$ 510,228</u> | <u>\$ 14,263,097</u> |

TOLEDO CITY SCHOOL DISTRICT

| Administratively Managed Student Activity | Auxiliary Services Program | Management Information System | Public School Preschool | Data Communication | Vocational Education Enhancement |
|---|-------------------------------|-------------------------------------|----------------------------|-----------------------|--|
| \$ 322,542 | \$ 333,056 | \$ 29,530 | \$ 0 | \$ 28,485 | \$ 20,414 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 12,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 227,516 | 0 | 12,952 |
| 3,850 | 14,494 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 338,392</u> | <u>\$ 347,550</u> | <u>\$ 29,530</u> | <u>\$ 227,516</u> | <u>\$ 28,485</u> | <u>\$ 33,366</u> |
| \$ 6,800 | \$ 92,136 | \$ 0 | \$ 4,616 | \$ 0 | \$ 5,439 |
| 0 | 107,036 | 0 | 27,303 | 0 | 0 |
| 524 | 25,309 | 0 | 5,196 | 0 | 0 |
| 0 | 28,594 | 0 | 88,146 | 0 | 52 |
| <u>7,324</u> | <u>253,075</u> | <u>0</u> | <u>125,261</u> | <u>0</u> | <u>5,491</u> |
| 0 | 0 | 0 | 85,346 | 0 | 8,764 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 85,346 | 0 | 8,764 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 331,068 | 94,475 | 29,530 | 16,909 | 28,485 | 19,111 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>331,068</u> | <u>94,475</u> | <u>29,530</u> | <u>16,909</u> | <u>28,485</u> | <u>19,111</u> |
| <u>\$ 338,392</u> | <u>\$ 347,550</u> | <u>\$ 29,530</u> | <u>\$ 227,516</u> | <u>\$ 28,485</u> | <u>\$ 33,366</u> |

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017**

| | Alternative Schools | Miscellaneous State Grants | Race to the Top | Special Education Handicapped |
|---|------------------------|-------------------------------|--------------------|-------------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 0 |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 109,348 | 134,860 | 0 | 3,068,002 |
| Interest | 0 | 0 | 0 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 109,348</u> | <u>\$ 134,860</u> | <u>\$ 0</u> | <u>\$ 3,068,002</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 7,629 | \$ 0 | \$ 31,552 |
| Accrued Wages and Benefits | 52,204 | 14,975 | 0 | 766,514 |
| Intergovernmental Payable | 4,457 | 2,468 | 0 | 147,267 |
| Interfund Loans Payable | 2,661 | 30,981 | 520 | 330,529 |
| Total Liabilities | <u>59,322</u> | <u>56,053</u> | <u>520</u> | <u>1,275,862</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 90,131 | 88,598 | 0 | 2,210,794 |
| Property Tax for Next Fiscal Year | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | <u>90,131</u> | <u>88,598</u> | <u>0</u> | <u>2,210,794</u> |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 0 |
| Unassigned | (40,105) | (9,791) | (520) | (418,654) |
| Total Fund Balances (Deficit) | <u>(40,105)</u> | <u>(9,791)</u> | <u>(520)</u> | <u>(418,654)</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 109,348</u> | <u>\$ 134,860</u> | <u>\$ 0</u> | <u>\$ 3,068,002</u> |

TOLEDO CITY SCHOOL DISTRICT

| Vocational Education | Title VII Bilingual Education Program | Title I | Preschool Grants for the Handicapped | Improving Teacher Quality | Miscellaneous Federal Grants |
|-------------------------|--|---------------------|--|------------------------------|---------------------------------|
| \$ 36,802 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,712 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1,527 | 0 | 0 | 0 |
| 53,802 | 70,692 | 5,938,643 | 45,263 | 1,347,817 | 2,180,137 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 90,604</u> | <u>\$ 70,692</u> | <u>\$ 5,940,170</u> | <u>\$ 45,263</u> | <u>\$ 1,347,817</u> | <u>\$ 2,181,849</u> |
| \$ 0 | \$ 3,431 | \$ 96,547 | \$ 1,085 | \$ 22,623 | \$ 76,424 |
| 124,970 | 9,557 | 1,482,748 | 16,775 | 163,998 | 159,553 |
| 14,939 | 134 | 294,165 | 5,784 | 29,875 | 2,457 |
| 47,341 | 7,322 | 235,261 | 11,923 | 148,585 | 81,309 |
| 187,250 | 20,444 | 2,108,721 | 35,567 | 365,081 | 319,743 |
| 53,802 | 50,477 | 3,797,323 | 21,160 | 1,062,036 | 1,901,020 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 53,802 | 50,477 | 3,797,323 | 21,160 | 1,062,036 | 1,901,020 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 34,126 | 0 | 0 | 0 |
| (150,448) | (229) | 0 | (11,464) | (79,300) | (38,914) |
| (150,448) | (229) | 34,126 | (11,464) | (79,300) | (38,914) |
| <u>\$ 90,604</u> | <u>\$ 70,692</u> | <u>\$ 5,940,170</u> | <u>\$ 45,263</u> | <u>\$ 1,347,817</u> | <u>\$ 2,181,849</u> |

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017**

| | Title I School Improvement Stimulus A | Title I School Improvement Stimulus G | Head Start | Total Nonmajor Special Revenue Funds |
|---|---|---|---------------------|--|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 0 | \$ 0 | \$ 15,758,151 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 1,175,973 |
| Accounts | 0 | 0 | 0 | 50,159 |
| Intergovernmental | 1,261,883 | 0 | 5,601,602 | 20,109,569 |
| Interest | 0 | 0 | 0 | 157,182 |
| Inventory Held for Resale | 0 | 0 | 0 | 280,644 |
| Total Assets | <u>\$ 1,261,883</u> | <u>\$ 0</u> | <u>\$ 5,601,602</u> | <u>\$ 37,531,678</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 73,368 | \$ 0 | \$ 208,048 | \$ 959,569 |
| Accrued Wages and Benefits | 50,079 | 0 | 320,424 | 3,975,985 |
| Intergovernmental Payable | 6,271 | 126 | 16,930 | 743,664 |
| Interfund Loans Payable | 145,493 | 0 | 72,669 | 1,251,985 |
| Total Liabilities | <u>275,211</u> | <u>126</u> | <u>618,071</u> | <u>6,931,203</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 1,128,139 | 0 | 4,825,501 | 15,581,954 |
| Property Tax for Next Fiscal Year | 0 | 0 | 0 | 849,678 |
| Total Deferred Inflows of Resources | <u>1,128,139</u> | <u>0</u> | <u>4,825,501</u> | <u>16,431,632</u> |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 280,644 |
| Restricted | 0 | 0 | 158,030 | 14,779,217 |
| Unassigned | (141,467) | (126) | 0 | (891,018) |
| Total Fund Balances (Deficit) | <u>(141,467)</u> | <u>(126)</u> | <u>158,030</u> | <u>14,168,843</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,261,883</u> | <u>\$ 0</u> | <u>\$ 5,601,602</u> | <u>\$ 37,531,678</u> |



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, 2017**

| | Food Service | Adult Education | Other Grants | School Facilities Maintenance |
|--|-------------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 958,468 |
| Tuition | 0 | 291,785 | 0 | 0 |
| Food Service | 614,879 | 0 | 0 | 0 |
| Investment Earnings | 999 | 0 | 0 | 866,527 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Classroom Materials and Fees | 0 | 0 | 0 | 0 |
| State Sources | 222,671 | 133,873 | 0 | 1,187,033 |
| Federal Sources | 11,374,958 | 980,290 | 0 | 0 |
| Miscellaneous Revenue | 41,754 | 0 | 1,703,172 | 0 |
| Total Revenue | <u>12,255,261</u> | <u>1,405,948</u> | <u>1,703,172</u> | <u>3,012,028</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 0 | 1,682,115 | 40,965 | 0 |
| Support Services | 231,922 | 57,643 | 1,416,680 | 2,687,291 |
| Non-Instructional Services | 11,554,398 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 22,167 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>11,786,320</u> | <u>1,739,758</u> | <u>1,479,812</u> | <u>2,687,291</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 468,941 | (333,810) | 223,360 | 324,737 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 23 | 0 |
| Transfers Out | 0 | 0 | (52) | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>(29)</u> | <u>0</u> |
| Net Change in Fund Balances | 468,941 | (333,810) | 223,331 | 324,737 |
| Fund Balances at Beginning of Year, as Restated | <u>311,383</u> | <u>690,556</u> | <u>154,129</u> | <u>12,508,860</u> |
| Fund Balances (Deficits) End of Year | <u>\$ 780,324</u> | <u>\$ 356,746</u> | <u>\$ 377,460</u> | <u>\$ 12,833,597</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 | 24,860 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 4,556 | 16,743 | 0 | 0 | 0 | 0 |
| 380,646 | 0 | 0 | 0 | 0 | 0 |
| 3,571 | 0 | 0 | 0 | 0 | 0 |
| 0 | 3,144,754 | 0 | 722,607 | 97,200 | 32,974 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 19,123 | 0 | 0 | 0 | 0 | 5,225 |
| <u>407,896</u> | <u>3,161,497</u> | <u>0</u> | <u>747,467</u> | <u>97,200</u> | <u>38,199</u> |
| 1,714 | 0 | 0 | 357,667 | 0 | 0 |
| 0 | 13,719 | 0 | 280,556 | 87,208 | 41,404 |
| 0 | 3,600,446 | 0 | 0 | 0 | 0 |
| 498,924 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 9,942 | 0 | 0 |
| <u>500,638</u> | <u>3,614,165</u> | <u>0</u> | <u>648,165</u> | <u>87,208</u> | <u>41,404</u> |
| (92,742) | (452,668) | 0 | 99,302 | 9,992 | (3,205) |
| 124,189 | 1,549 | 0 | 0 | 0 | 0 |
| (5,346) | 0 | 0 | 0 | 0 | 0 |
| <u>118,843</u> | <u>1,549</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 26,101 | (451,119) | 0 | 99,302 | 9,992 | (3,205) |
| 304,967 | 545,594 | 29,530 | (82,393) | 18,493 | 22,316 |
| <u>\$ 331,068</u> | <u>\$ 94,475</u> | <u>\$ 29,530</u> | <u>\$ 16,909</u> | <u>\$ 28,485</u> | <u>\$ 19,111</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, 2017**

| | 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 | 123,406 | 231,001 | 0 | 0 |
| Federal Sources | 0 | 0 | 80 | 6,983,582 |
| Miscellaneous Revenue | 0 | 0 | 0 | 0 |
| Total Revenue | <u>123,406</u> | <u>231,001</u> | <u>80</u> | <u>6,983,582</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 28,396 | 48,223 | 0 | 4,489,985 |
| Support Services | 138,262 | 178,986 | 0 | 2,490,998 |
| Non-Instructional Services | 0 | 0 | 0 | 425,927 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>166,658</u> | <u>227,209</u> | <u>0</u> | <u>7,406,910</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (43,252) | 3,792 | 80 | (423,328) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 3,200 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>3,200</u> | <u>0</u> |
| Net Change in Fund Balances | (43,252) | 3,792 | 3,280 | (423,328) |
| Fund Balances at Beginning of Year, as Restated | <u>3,147</u> | <u>(13,583)</u> | <u>(3,800)</u> | <u>4,674</u> |
| Fund Balances (Deficits) End of Year | <u>\$ (40,105)</u> | <u>\$ (9,791)</u> | <u>\$ (520)</u> | <u>\$ (418,654)</u> |

TOLEDO CITY SCHOOL DISTRICT

| Vocational Education | Title VII Bilingual Education Program | Title I | Preschool Grants for the Handicapped | Improving Teacher Quality | Miscellaneous Federal Grants |
|-------------------------|--|-------------------|--|------------------------------|---------------------------------|
| \$ 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 |
| 819,862 | 86,597 | 15,630,947 | 237,576 | 2,201,598 | 1,475,585 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>819,862</u> | <u>86,597</u> | <u>15,630,947</u> | <u>237,576</u> | <u>2,201,598</u> | <u>1,475,585</u> |
| 503,722 | 0 | 7,560,729 | 19,716 | 890,891 | 842,418 |
| 446,265 | 82,054 | 6,969,563 | 211,173 | 1,192,406 | 763,650 |
| 0 | 0 | 602,548 | 0 | 49,665 | 4,214 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>949,987</u> | <u>82,054</u> | <u>15,132,840</u> | <u>230,889</u> | <u>2,132,962</u> | <u>1,610,282</u> |
| (130,125) | 4,543 | 498,107 | 6,687 | 68,636 | (134,697) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (130,125) | 4,543 | 498,107 | 6,687 | 68,636 | (134,697) |
| <u>(20,323)</u> | <u>(4,772)</u> | <u>(463,981)</u> | <u>(18,151)</u> | <u>(147,936)</u> | <u>95,783</u> |
| <u>\$ (150,448)</u> | <u>\$ (229)</u> | <u>\$ 34,126</u> | <u>\$ (11,464)</u> | <u>\$ (79,300)</u> | <u>\$ (38,914)</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, 2017**

| | Title I School Improvement Stimulus A | Title I School Improvement Stimulus G | Head Start | Total Nonmajor Special Revenue Funds |
|--|---|---|-------------------|---|
| Revenues: | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 958,468 |
| Tuition | 0 | 0 | 0 | 316,645 |
| Food Service | 0 | 0 | 0 | 614,879 |
| Investment Earnings | 0 | 0 | 0 | 888,825 |
| Extracurricular Activities | 0 | 0 | 0 | 380,646 |
| Classroom Materials and Fees | 0 | 0 | 0 | 3,571 |
| State Sources | 0 | 0 | 0 | 5,895,519 |
| Federal Sources | 1,432,426 | 894 | 7,632,645 | 48,857,040 |
| Miscellaneous Revenue | 0 | 0 | 0 | 1,769,274 |
| Total Revenue | <u>1,432,426</u> | <u>894</u> | <u>7,632,645</u> | <u>59,684,867</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 512,910 | 28 | 0 | 16,979,479 |
| Support Services | 927,343 | 9,527 | 105,653 | 18,332,303 |
| Non-Instructional Services | 0 | 0 | 8,290,159 | 24,527,357 |
| Extracurricular Activities | 0 | 0 | 0 | 521,091 |
| Capital Outlay | 0 | 0 | 0 | 9,942 |
| Total Expenditures | <u>1,440,253</u> | <u>9,555</u> | <u>8,395,812</u> | <u>60,370,172</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (7,827) | (8,661) | (763,167) | (685,305) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 128,961 |
| Transfers Out | 0 | 0 | 0 | (5,398) |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>123,563</u> |
| Net Change in Fund Balances | (7,827) | (8,661) | (763,167) | (561,742) |
| Fund Balances at Beginning of Year, as Restated | <u>(133,640)</u> | <u>8,535</u> | <u>921,197</u> | <u>14,730,585</u> |
| Fund Balances (Deficits) End of Year | <u>\$ (141,467)</u> | <u>\$ (126)</u> | <u>\$ 158,030</u> | <u>\$ 14,168,843</u> |

TOLEDO CITY SCHOOL DISTRICT**Combining Balance Sheet
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2017**

| | Permanent Improvement | Locally Funded Initiative | Classroom Facilities | Total Nonmajor Capital Projects Funds |
|--|--------------------------|------------------------------|-------------------------|---|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 316,991 | \$ 8,333 | \$ 27,694,696 | \$ 28,020,020 |
| Receivables: | | | | |
| Taxes | 3,595,682 | 0 | 0 | 3,595,682 |
| Accounts | 2,200 | 0 | 0 | 2,200 |
| Interest | 0 | 90 | 298,409 | 298,499 |
| Total Assets | <u>\$ 3,914,873</u> | <u>\$ 8,423</u> | <u>\$ 27,993,105</u> | <u>\$ 31,916,401</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 172,924 | \$ 0 | \$ 17,877,930 | \$ 18,050,854 |
| Interfund Loans Payable | 750,000 | 0 | 0 | 750,000 |
| Total Liabilities | <u>922,924</u> | <u>0</u> | <u>17,877,930</u> | <u>18,800,854</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 776,579 | 0 | 0 | 776,579 |
| Property Tax for Next Fiscal Year | 2,594,641 | 0 | 0 | 2,594,641 |
| Total Deferred Inflows of Resources | <u>3,371,220</u> | <u>0</u> | <u>0</u> | <u>3,371,220</u> |
| Fund Balances: | | | | |
| Restricted | 0 | 8,423 | 10,115,175 | 10,123,598 |
| Unassigned | (379,271) | 0 | 0 | (379,271) |
| Total Fund Balances (Deficit) | <u>(379,271)</u> | <u>8,423</u> | <u>10,115,175</u> | <u>9,744,327</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,914,873</u> | <u>\$ 8,423</u> | <u>\$ 27,993,105</u> | <u>\$ 31,916,401</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, 2017**

| | Permanent Improvement | Locally Funded Initiative | Classroom Facilities | Total Nonmajor Capital Projects Funds |
|--|--------------------------|------------------------------|-------------------------|---|
| Revenues: | | | | |
| Taxes | \$ 3,111,352 | \$ 0 | \$ 0 | \$ 3,111,352 |
| Investment Earnings | (1,409) | (408) | 360,729 | 358,912 |
| State Sources | 155,817 | 0 | 0 | 155,817 |
| Miscellaneous Revenue | 2,200 | 0 | 0 | 2,200 |
| Total Revenue | <u>3,267,960</u> | <u>(408)</u> | <u>360,729</u> | <u>3,628,281</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 56,388 | 0 | 0 | 56,388 |
| Supporting Services | 52,122 | 0 | 0 | 52,122 |
| Capital Outlay | 1,620,337 | 0 | 0 | 1,620,337 |
| Total Expenditures | <u>1,728,847</u> | <u>0</u> | <u>0</u> | <u>1,728,847</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 1,539,113 | (408) | 360,729 | 1,899,434 |
| Fund Balances (Deficit) at Beginning of Year, as Restated | <u>(1,918,384)</u> | <u>8,831</u> | <u>9,754,446</u> | <u>7,844,893</u> |
| Fund Balances (Deficit) End of Year | <u>\$ (379,271)</u> | <u>\$ 8,423</u> | <u>\$ 10,115,175</u> | <u>\$ 9,744,327</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, 2017***

| | 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>\$ 363,225,983</u> | <u>\$ 363,225,983</u> | <u>\$ 388,569,475</u> | <u>\$ 25,343,492</u> |
| Total Expenditures and Other Financing Uses | <u>380,580,170</u> | <u>396,255,136</u> | <u>374,995,466</u> | <u>21,259,670</u> |
| Net Change in Fund Balance | (17,354,187) | (33,029,153) | 13,574,009 | 46,603,162 |
| Fund Balance at Beginning of Year, Restated | 54,916,700 | 54,916,700 | 54,916,700 | 0 |
| Prior Year Encumbrances | <u>6,537,471</u> | <u>6,537,471</u> | <u>6,537,471</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 44,099,984</u> | <u>\$ 28,425,018</u> | <u>\$ 75,028,180</u> | <u>\$ 46,603,162</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 12,159,167</u> | <u>\$ 11,946,806</u> | <u>\$ (212,361)</u> |
| Total Expenditures and Other Financing Uses | <u>12,167,428</u> | <u>11,665,434</u> | <u>501,994</u> |
| Net Change in Fund Balance | (8,261) | 281,372 | 289,633 |
| Fund Balance at Beginning of Year, Restated | 173,559 | 173,559 | 0 |
| Prior Year Encumbrances | <u>233,487</u> | <u>233,487</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 398,785</u> | <u>\$ 688,418</u> | <u>\$ 289,633</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, 2017***

UNIFORM SCHOOL SUPPLIES FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 719,742</u> | <u>\$ 178,752</u> | <u>\$ (540,990)</u> |
| Total Expenditures and Other Financing Uses | <u>856,075</u> | <u>165,378</u> | <u>690,697</u> |
| Net Change in Fund Balance | (136,333) | 13,374 | 149,707 |
| Fund Balance at Beginning of Year, Restated | 537,542 | 537,542 | 0 |
| Prior Year Encumbrances | <u>21,708</u> | <u>21,708</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 422,917</u> | <u>\$ 572,624</u> | <u>\$ 149,707</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 289,137</u> | <u>\$ 27,444</u> | <u>\$ (261,693)</u> |
| Total Expenditures and Other Financing Uses | <u>296,274</u> | <u>63,523</u> | <u>232,751</u> |
| Net Change in Fund Balance | (7,137) | (36,079) | (28,942) |
| Fund Balance at Beginning of Year | 113,506 | 113,506 | 0 |
| Prior Year Encumbrances | <u>7,118</u> | <u>7,118</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 113,487</u> | <u>\$ 84,545</u> | <u>\$ (28,942)</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 1,553,500</u> | <u>\$ 1,388,602</u> | <u>\$ (164,898)</u> |
| Total Expenditures and Other Financing Uses | <u>1,646,251</u> | <u>1,656,836</u> | <u>(10,585)</u> |
| Net Change in Fund Balance | (92,751) | (268,234) | (175,483) |
| Fund Balance at Beginning of Year, Restated | 706,362 | 706,362 | 0 |
| Prior Year Encumbrances | <u>7,314</u> | <u>7,314</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 620,925</u> | <u>\$ 445,442</u> | <u>\$ (175,483)</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 1,397,330</u> | <u>\$ 295,405</u> | <u>\$ (1,101,925)</u> |
| Total Expenditures and Other Financing Uses | <u>1,445,858</u> | <u>340,522</u> | <u>1,105,336</u> |
| Net Change in Fund Balance | (48,528) | (45,117) | 3,411 |
| Fund Balance at Beginning of Year, Restated | 493,139 | 493,139 | 0 |
| Prior Year Encumbrances | <u>14,156</u> | <u>14,156</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 458,767</u> | <u>\$ 462,178</u> | <u>\$ 3,411</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 1,817,569</u> | <u>\$ 1,703,202</u> | <u>\$ (114,367)</u> |
| Total Expenditures and Other Financing Uses | <u>1,963,662</u> | <u>1,483,469</u> | <u>480,193</u> |
| Net Change in Fund Balance | (146,093) | 219,733 | 365,826 |
| Fund Balance at Beginning of Year, Restated | 179,741 | 179,741 | 0 |
| Prior Year Encumbrances | <u>23,229</u> | <u>23,229</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 56,877</u> | <u>\$ 422,703</u> | <u>\$ 365,826</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, 2017***

SCHOOL FACILITIES MAINTENANCE FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 2,928,683</u> | <u>\$ 2,936,411</u> | <u>\$ 7,728</u> |
| Total Expenditures and Other Financing Uses | <u>3,905,403</u> | <u>3,671,321</u> | <u>234,082</u> |
| Net Change in Fund Balance | (976,720) | (734,910) | 241,810 |
| Fund Balance at Beginning of Year, Restated | 11,869,061 | 11,869,061 | 0 |
| Prior Year Encumbrances | <u>1,000,550</u> | <u>1,000,550</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 11,892,891</u> | <u>\$ 12,134,701</u> | <u>\$ 241,810</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, 2017***

ADMINISTRATIVELY MANAGED STUDENT ACTIVITY FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 1,423,383</u> | <u>\$ 517,506</u> | <u>\$ (905,877)</u> |
| Total Expenditures and Other Financing Uses | <u>1,504,537</u> | <u>557,359</u> | <u>947,178</u> |
| Net Change in Fund Balance | (81,154) | (39,853) | 41,301 |
| Fund Balance at Beginning of Year, Restated | 269,960 | 269,960 | 0 |
| Prior Year Encumbrances | <u>61,901</u> | <u>61,901</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 250,707</u> | <u>\$ 292,008</u> | <u>\$ 41,301</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, 2017***

AUXILIARY SERVICES FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 3,654,395</u> | <u>\$ 3,153,746</u> | <u>\$ (500,649)</u> |
| Total Expenditures and Other Financing Uses | <u>4,712,478</u> | <u>4,504,373</u> | <u>208,105</u> |
| Net Change in Fund Balance | (1,058,083) | (1,350,627) | (292,544) |
| Fund Balance at Beginning of Year, Restated | 1,145,878 | 1,145,878 | 0 |
| Prior Year Encumbrances | <u>430,294</u> | <u>430,294</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 518,089</u> | <u>\$ 225,545</u> | <u>\$ (292,544)</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, 2017***

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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 807,953</u> | <u>\$ 605,297</u> | <u>\$ (202,656)</u> |
| Total Expenditures and Other Financing Uses | <u>818,352</u> | <u>728,714</u> | <u>89,638</u> |
| Net Change in Fund Balance | (10,399) | (123,417) | (113,018) |
| Fund Balance at Beginning of Year, Restated | 10,572 | 10,572 | 0 |
| Prior Year Encumbrances | <u>7,715</u> | <u>7,715</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 7,888</u> | <u>\$ (105,130)</u> | <u>\$ (113,018)</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, 2017***

DATA COMMUNICATION FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 92,700</u> | <u>\$ 97,200</u> | <u>\$ 4,500</u> |
| Total Expenditures and Other Financing Uses | <u>301,299</u> | <u>290,544</u> | <u>10,755</u> |
| Net Change in Fund Balance | (208,599) | (193,344) | 15,255 |
| Fund Balance at Beginning of Year | 106,688 | 106,688 | 0 |
| Prior Year Encumbrances | <u>96,107</u> | <u>96,107</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (5,804)</u> | <u>\$ 9,451</u> | <u>\$ 15,255</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 66,270</u> | <u>\$ 52,318</u> | <u>\$ (13,952)</u> |
| Total Expenditures and Other Financing Uses | <u>83,668</u> | <u>66,779</u> | <u>16,889</u> |
| Net Change in Fund Balance | (17,398) | (14,461) | 2,937 |
| Fund Balance at Beginning of Year, Restated | 13,713 | 13,713 | 0 |
| Prior Year Encumbrances | <u>11,092</u> | <u>11,092</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 7,407</u> | <u>\$ 10,344</u> | <u>\$ 2,937</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, 2017***

ALTERNATIVE SCHOOLS FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 240,135</u> | <u>\$ 130,787</u> | <u>\$ (109,348)</u> |
| Total Expenditures and Other Financing Uses | <u>240,548</u> | <u>134,102</u> | <u>106,446</u> |
| Net Change in Fund Balance | (413) | (3,315) | (2,902) |
| Fund Balance at Beginning of Year, Restated | 328 | 328 | 0 |
| Prior Year Encumbrances | <u>85</u> | <u>85</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ (2,902)</u> | <u>\$ (2,902)</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, 2017***

MISCELLANEOUS STATE GRANTS FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|--------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 369,250</u> | <u>\$ 234,389</u> | <u>\$ (134,861)</u> |
| Total Expenditures and Other Financing Uses | <u>424,764</u> | <u>339,346</u> | <u>85,418</u> |
| Net Change in Fund Balance | (55,514) | (104,957) | (49,443) |
| Fund Balance at Beginning of Year, Restated | 13,276 | 13,276 | 0 |
| Prior Year Encumbrances | <u>52,070</u> | <u>52,070</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 9,832</u> | <u>\$ (39,611)</u> | <u>\$ (49,443)</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, 2017***

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>\$ 0</u> | <u>\$ 3,200</u> | <u>\$ 3,200</u> |
| Total Expenditures and Other Financing Uses | <u>4,500</u> | <u>4,420</u> | <u>80</u> |
| Net Change in Fund Balance | (4,500) | (1,220) | 3,280 |
| Fund Balance at Beginning of Year, Restated | <u>700</u> | <u>700</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (3,800)</u> | <u>\$ (520)</u> | <u>\$ 3,280</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 10,433,600</u> | <u>\$ 7,365,598</u> | <u>\$ (3,068,002)</u> |
| Total Expenditures and Other Financing Uses | <u>10,565,519</u> | <u>7,963,957</u> | <u>2,601,562</u> |
| Net Change in Fund Balance | (131,919) | (598,359) | (466,440) |
| Fund Balance at Beginning of Year, Restated | 66,118 | 66,118 | 0 |
| Prior Year Encumbrances | <u>65,515</u> | <u>65,515</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (286)</u> | <u>\$ (466,726)</u> | <u>\$ (466,440)</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, 2017***

VOCATIONAL EDUCATION FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 1,035,214</u> | <u>\$ 981,412</u> | <u>\$ (53,802)</u> |
| Total Expenditures and Other Financing Uses | <u>1,025,786</u> | <u>946,047</u> | <u>79,739</u> |
| Net Change in Fund Balance | 9,428 | 35,365 | 25,937 |
| Fund Balance at Beginning of Year, Restated | 413 | 413 | 0 |
| Prior Year Encumbrances | <u>722</u> | <u>722</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 10,563</u> | <u>\$ 36,500</u> | <u>\$ 25,937</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|--------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 144,716</u> | <u>\$ 74,024</u> | <u>\$ (70,692)</u> |
| Total Expenditures and Other Financing Uses | <u>155,176</u> | <u>96,898</u> | <u>58,278</u> |
| Net Change in Fund Balance | (10,460) | (22,874) | (12,414) |
| Fund Balance at Beginning of Year, Restated | 3,128 | 3,128 | 0 |
| Prior Year Encumbrances | <u>7,332</u> | <u>7,332</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ (12,414)</u> | <u>\$ (12,414)</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, 2017***

| | 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>\$ 22,143,887</u> | <u>\$ 16,205,244</u> | <u>\$ (5,938,643)</u> |
| Total Expenditures and Other Financing Uses | <u>22,415,468</u> | <u>16,898,542</u> | <u>5,516,926</u> |
| Net Change in Fund Balance | (271,581) | (693,298) | (421,717) |
| Fund Balance at Beginning of Year, Restated | 18,946 | 18,946 | 0 |
| Prior Year Encumbrances | <u>230,424</u> | <u>230,424</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (22,211)</u> | <u>\$ (443,928)</u> | <u>\$ (421,717)</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|--------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 277,941</u> | <u>\$ 232,678</u> | <u>\$ (45,263)</u> |
| Total Expenditures and Other Financing Uses | <u>283,532</u> | <u>248,712</u> | <u>34,820</u> |
| Net Change in Fund Balance | (5,591) | (16,034) | (10,443) |
| Fund Balance at Beginning of Year, Restated | 1,320 | 1,320 | 0 |
| Prior Year Encumbrances | <u>4,186</u> | <u>4,186</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (85)</u> | <u>\$ (10,528)</u> | <u>\$ (10,443)</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, 2017***

IMPROVING TEACHER QUALITY FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 3,509,117</u> | <u>\$ 2,161,301</u> | <u>\$ (1,347,816)</u> |
| Total Expenditures and Other Financing Uses | <u>3,820,417</u> | <u>2,660,723</u> | <u>1,159,694</u> |
| Net Change in Fund Balance | (311,300) | (499,422) | (188,122) |
| Fund Balance at Beginning of Year, Restated | 93,455 | 93,455 | 0 |
| Prior Year Encumbrances | <u>220,895</u> | <u>220,895</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 3,050</u> | <u>\$ (185,072)</u> | <u>\$ (188,122)</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, 2017***

MISCELLANEOUS FEDERAL GRANTS FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 3,727,873</u> | <u>\$ 1,539,736</u> | <u>\$ (2,188,137)</u> |
| Total Expenditures and Other Financing Uses | <u>3,756,405</u> | <u>1,952,485</u> | <u>1,803,920</u> |
| Net Change in Fund Balance | (28,532) | (412,749) | (384,217) |
| Fund Balance at Beginning of Year, Restated | 71,499 | 71,499 | 0 |
| Prior Year Encumbrances | <u>184,779</u> | <u>184,779</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 227,746</u> | <u>\$ (156,471)</u> | <u>\$ (384,217)</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 2,816,866</u> | <u>\$ 1,554,982</u> | <u>\$ (1,261,884)</u> |
| Total Expenditures and Other Financing Uses | <u>3,026,710</u> | <u>1,949,220</u> | <u>1,077,490</u> |
| Net Change in Fund Balance | (209,844) | (394,238) | (184,394) |
| Fund Balance at Beginning of Year, Restated | 2,607 | 2,607 | 0 |
| Prior Year Encumbrances | <u>201,953</u> | <u>201,953</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (5,284)</u> | <u>\$ (189,678)</u> | <u>\$ (184,394)</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 9,518</u> | <u>\$ 9,518</u> | <u>\$ 0</u> |
| Total Expenditures and Other Financing Uses | <u>19,018</u> | <u>19,018</u> | <u>0</u> |
| Net Change in Fund Balance | (9,500) | (9,500) | 0 |
| Fund Balance at Beginning of Year, Restated | 185 | 185 | 0 |
| Prior Year Encumbrances | <u>9,315</u> | <u>9,315</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</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, 2017***

| | 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>\$ 14,364,344</u> | <u>\$ 8,762,742</u> | <u>\$ (5,601,602)</u> |
| Total Expenditures and Other Financing Uses | <u>16,277,163</u> | <u>11,303,328</u> | <u>4,973,835</u> |
| Net Change in Fund Balance | (1,912,819) | (2,540,586) | (627,767) |
| Fund Balance at Beginning of Year, Restated | 108,206 | 108,206 | 0 |
| Prior Year Encumbrances | <u>1,778,329</u> | <u>1,778,329</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (26,284)</u> | <u>\$ (654,051)</u> | <u>\$ 627,767</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 12,247,244</u> | <u>\$ 12,247,244</u> | <u>\$ 0</u> |
| Total Expenditures and Other Financing Uses | <u>11,630,827</u> | <u>11,066,862</u> | <u>563,965</u> |
| Net Change in Fund Balance | 616,417 | 1,180,382 | 563,965 |
| Fund Balance at Beginning of Year | <u>3,304,266</u> | <u>3,304,266</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 3,920,683</u> | <u>\$ 4,484,648</u> | <u>\$ 563,965</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 3,148,215</u> | <u>\$ 4,073,774</u> | <u>\$ 925,559</u> |
| Total Expenditures and Other Financing Uses | <u>5,255,526</u> | <u>5,297,529</u> | <u>(42,003)</u> |
| Net Change in Fund Balance | (2,107,311) | (1,223,755) | 883,556 |
| Fund Balance at Beginning of Year | 105,089 | 105,089 | 0 |
| Prior Year Encumbrances | <u>1,155,526</u> | <u>1,155,526</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ (846,696)</u> | <u>\$ 36,860</u> | <u>\$ 883,556</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 46</u> | <u>\$ 46</u> | <u>\$ 0</u> |
| Total Expenditures and Other Financing Uses | <u>8,294</u> | <u>0</u> | <u>8,294</u> |
| Net Change in Fund Balance | (8,248) | 46 | 8,294 |
| Fund Balance at Beginning of Year, Restated | <u>8,298</u> | <u>8,298</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 50</u> | <u>\$ 8,344</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, 2017***

CLASSROOM FACILITIES FUND

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 153,241</u> | <u>\$ 153,241</u> | <u>\$ 0</u> |
| Total Expenditures and Other Financing Uses | <u>27,568,347</u> | <u>18,500,000</u> | <u>9,068,347</u> |
| Net Change in Fund Balance | (27,415,106) | (18,346,759) | 9,068,347 |
| Fund Balance at Beginning of Year, Restated | 9,079,557 | 9,079,557 | 0 |
| Prior Year Encumbrances | <u>18,500,000</u> | <u>18,500,000</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 164,451</u> | <u>\$ 9,232,798</u> | <u>\$ 9,068,347</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, 2017***

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Total Revenues and Other Financing Sources | <u>\$ 13,205</u> | <u>\$ 4,067</u> | <u>\$ (9,138)</u> |
| Total Expenditures and Other Financing Uses | <u>28,100</u> | <u>4,263</u> | <u>23,837</u> |
| Net Change in Fund Balance | (14,895) | (196) | 14,699 |
| Fund Balance at Beginning of Year, Restated | <u>735,387</u> | <u>735,387</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 720,492</u> | <u>\$ 735,191</u> | <u>\$ 14,699</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.

Payroll Liabilities Fund

To account for taxes, pension and other amounts withheld from employees' paychecks.

Severance Liabilities Fund

To account for the severance payments to be paid to future retirees.

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Net Position
Internal Service Funds
June 30, 2017**

| | Rotary | Intra-District Services | Health Insurance | Computer Network-Class A |
|----------------------------|-----------------|----------------------------|----------------------|--------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 6,020 | \$ 1,558,335 | \$ 20,264,187 | \$ 9,202 |
| Receivables: | | | | |
| Accounts | 0 | 168,198 | 308 | 0 |
| Intergovernmental | 0 | 4,171 | 0 | 0 |
| Interest | 0 | 0 | 178,468 | 0 |
| Total Assets | 6,020 | 1,730,704 | 20,442,963 | 9,202 |
| Liabilities: | | | | |
| Accounts Payable | 0 | 25,275 | 559,816 | 0 |
| Accrued Wages and Benefits | 0 | 0 | 5,848,200 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 25,275 | 6,408,016 | 0 |
| Net Position: | | | | |
| Unrestricted (Deficit) | 6,020 | 1,705,429 | 14,034,947 | 9,202 |
| Total Net Position | \$ 6,020 | \$ 1,705,429 | \$ 14,034,947 | \$ 9,202 |

TOLEDO CITY SCHOOL DISTRICT

| <u>Workers'</u> <u>Compensation</u> | <u>Payroll Liabilites</u> | <u>Severance</u> <u>Liabilites</u> | <u>Total</u> |
|--|---------------------------|---------------------------------------|----------------------|
| \$ 2,122,632 | \$ 4,466,323 | \$ 0 | \$ 28,426,699 |
| 5,572 | 0 | 0 | 174,078 |
| 28 | 0 | 0 | 4,199 |
| 21,692 | 0 | 0 | 200,160 |
| <u>2,149,924</u> | <u>4,466,323</u> | <u>0</u> | <u>28,805,136</u> |
| 221,190 | 0 | 0 | 806,281 |
| 0 | 9 | 789 | 5,848,998 |
| 50,256 | 0 | 11 | 50,267 |
| <u>271,446</u> | <u>9</u> | <u>800</u> | <u>6,705,546</u> |
| 1,878,478 | 4,466,314 | (800) | 22,099,590 |
| <u>\$ 1,878,478</u> | <u>\$ 4,466,314</u> | <u>\$ (800)</u> | <u>\$ 22,099,590</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, 2017**

| | Rotary | Intra-District Services | Health Insurance | Computer Network-Class A |
|---|-----------------|----------------------------|----------------------|--------------------------------|
| Operating Revenues: | | | | |
| Interfund Charges | \$ 0 | \$ 164,938 | \$ 52,861,811 | \$ 0 |
| Total Operating Revenues | <u>0</u> | <u>164,938</u> | <u>52,861,811</u> | <u>0</u> |
| Operating Expenses: | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Purchased Services | <u>0</u> | <u>0</u> | <u>45,254,887</u> | <u>0</u> |
| Total Operating Expenses | <u>0</u> | <u>0</u> | <u>45,254,887</u> | <u>0</u> |
| Operating Income (Loss) | 0 | 164,938 | 7,606,924 | 0 |
| Nonoperating Revenue (Expenses): | | | | |
| Investment Earnings | <u>0</u> | <u>0</u> | <u>226,739</u> | <u>0</u> |
| Total Nonoperating Revenues (Expenses) | <u>0</u> | <u>0</u> | <u>226,739</u> | <u>0</u> |
| Change in Net Position | 0 | 164,938 | 7,833,663 | 0 |
| Net Position Beginning of Year, as Restated | <u>6,020</u> | <u>1,540,491</u> | <u>6,201,284</u> | <u>9,202</u> |
| Net Position End of Year | <u>\$ 6,020</u> | <u>\$ 1,705,429</u> | <u>\$ 14,034,947</u> | <u>\$ 9,202</u> |

TOLEDO CITY SCHOOL DISTRICT

| <u>Workers'</u> <u>Compensation</u> | <u>Payroll Liabilites</u> | <u>Severance</u> <u>Liabilites</u> | <u>Total</u> |
|--|---------------------------|---------------------------------------|----------------------|
| \$ 1,324,314 | \$ 0 | \$ 0 | \$ 54,351,063 |
| <u>1,324,314</u> | <u>0</u> | <u>0</u> | <u>54,351,063</u> |
| 1,131,893 | 20,776 | 800 | 1,153,469 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>45,254,887</u> |
| <u>1,131,893</u> | <u>20,776</u> | <u>800</u> | <u>46,408,356</u> |
| 192,421 | (20,776) | (800) | 7,942,707 |
| <u>24,615</u> | <u>0</u> | <u>0</u> | <u>251,354</u> |
| <u>24,615</u> | <u>0</u> | <u>0</u> | <u>251,354</u> |
| 217,036 | (20,776) | (800) | 8,194,061 |
| <u>1,661,442</u> | <u>4,487,090</u> | <u>0</u> | <u>13,905,529</u> |
| <u>\$ 1,878,478</u> | <u>\$ 4,466,314</u> | <u>\$ (800)</u> | <u>\$ 22,099,590</u> |

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017**

| | Rotary | Intra-District Services | Health Insurance | Computer Network- Class A |
|--|----------------|----------------------------|---------------------|---------------------------------|
| <u>Cash Flows from Operating Activities:</u> | | | | |
| Cash Received from Interfund Charges | \$0 | \$123,301 | \$52,861,811 | \$0 |
| Cash Payments to Employees for Services and Benefits | 0 | 0 | (46,693,348) | 0 |
| Net Cash Provided (Used) by Operating Activities | 0 | 123,301 | 6,168,463 | 0 |
| <u>Cash Flows from Investing Activities:</u> | | | | |
| Receipts of Interest | 0 | 0 | 68,860 | 0 |
| Net Cash Provided by Investing Activities | 0 | 0 | 68,860 | 0 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 0 | 123,301 | 6,237,323 | 0 |
| Cash and Cash Equivalents at Beginning of Year, as Restated | 6,020 | 1,435,034 | 14,026,864 | 9,202 |
| Cash and Cash Equivalents at End of Year | <u>\$6,020</u> | <u>\$1,558,335</u> | <u>\$20,264,187</u> | <u>\$9,202</u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | | | | |
| <u>Provided (Used) by Operating Activities:</u> | | | | |
| Operating Income (Loss) | \$0 | \$164,938 | \$7,606,924 | \$0 |
| Adjustments to Reconcile Operating Income (Loss) to | | | | |
| Net Cash Provided (Used) by Operating Activities: | | | | |
| Changes in Assets and Liabilities: | | | | |
| Increase in Accounts Receivable | 0 | (29,491) | 0 | 0 |
| Decrease in Intergovernmental Receivables | 0 | 249 | 0 | 0 |
| Increase (Decrease) in Accounts Payable | 0 | (12,395) | (1,813,861) | 0 |
| Increase in Accrued Wages and Benefits | 0 | 0 | 375,400 | 0 |
| Decrease in Intergovernmental Payables | 0 | 0 | 0 | 0 |
| Total Adjustments | 0 | (41,637) | (1,438,461) | 0 |
| Net Cash Provided (Used) by Operating Activities | <u>\$0</u> | <u>\$123,301</u> | <u>\$6,168,463</u> | <u>\$0</u> |

During 2017 the fair value of investments decreased by \$22,788 and \$2,770 in the Health Insurance and Workers' Compensation Funds, respectively.

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

| <u>Workers'</u> <u>Compensation</u> | <u>Payroll</u> <u>Liabilities</u> | <u>Severence</u> <u>Liabilities</u> | <u>Total</u> |
|--|--------------------------------------|--|---------------------|
| \$1,324,314 | \$0 | \$0 | \$54,309,426 |
| (1,126,195) | (20,767) | 0 | (47,840,310) |
| <u>198,119</u> | <u>(20,767)</u> | <u>0</u> | <u>6,469,116</u> |
| 8,370 | 0 | 0 | 77,230 |
| <u>8,370</u> | <u>0</u> | <u>0</u> | <u>77,230</u> |
| 206,489 | (20,767) | 0 | 6,546,346 |
| 1,916,143 | 4,487,090 | 0 | 21,880,353 |
| <u>\$2,122,632</u> | <u>\$4,466,323</u> | <u>\$0</u> | <u>\$28,426,699</u> |
| \$192,421 | (\$20,776) | (\$800) | \$7,942,707 |
| 0 | 0 | 0 | (29,491) |
| 0 | 0 | 0 | 249 |
| 221,190 | 0 | 0 | (1,605,066) |
| 0 | 9 | 789 | 376,198 |
| <u>(215,492)</u> | <u>0</u> | <u>11</u> | <u>(215,481)</u> |
| <u>5,698</u> | <u>9</u> | <u>800</u> | <u>(1,473,591)</u> |
| <u>\$198,119</u> | <u>(\$20,767)</u> | <u>\$0</u> | <u>\$6,469,116</u> |

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, 2017***

| | Balance June 30, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|-----------------------------|------------------|--------------------|-----------------------------|
| <u>Student Managed Activity Fund</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$180,463 | \$160,570 | (\$180,463) | \$160,570 |
| Interest Receivable | 1,108 | 3,010 | (1,108) | 3,010 |
| Total Assets | <u>\$181,571</u> | <u>\$163,580</u> | <u>(\$181,571)</u> | <u>\$163,580</u> |
| Liabilities: | | | | |
| Accounts Payable | \$4,424 | \$1,208 | (\$4,424) | \$1,208 |
| Due to Students | 177,147 | 162,372 | (177,147) | 162,372 |
| Total Liabilities | <u>\$181,571</u> | <u>\$163,580</u> | <u>(\$181,571)</u> | <u>\$163,580</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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$273,164,202 | \$319,887,466 | \$295,429,243 | \$356,044,033 |
| Restricted for: | | | | |
| Capital Projects | 317,693,258 | 169,137,197 | 217,877,292 | 135,580,227 |
| Debt Service | 14,372,972 | 11,705,745 | 5,725,901 | 6,055,588 |
| Permanent Funds: | | | | |
| Expendable | 350,204 | 343,688 | 330,522 | 309,119 |
| Nonexpendable | 503,291 | 503,291 | 503,291 | 503,291 |
| Other Purposes | 18,876,850 | 39,034,091 | 18,185,213 | 15,138,459 |
| Unrestricted (Deficit) | <u>(19,858,790)</u> | <u>(56,323,121)</u> | <u>(39,755,783)</u> | <u>(4,891,597)</u> |
| Total Governmental Activities Net Position | <u>\$605,101,987</u> | <u>\$484,288,357</u> | <u>\$498,295,679</u> | <u>\$508,739,120</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$273,164,202 | \$319,887,466 | \$295,429,243 | \$356,044,033 |
| Restricted | 351,796,575 | 220,724,012 | 242,622,219 | 157,586,684 |
| Unrestricted (Deficit) | <u>(19,858,790)</u> | <u>(56,323,121)</u> | <u>(39,755,783)</u> | <u>(4,891,597)</u> |
| Total Primary Government Net Position | <u>\$605,101,987</u> | <u>\$484,288,357</u> | <u>\$498,295,679</u> | <u>\$508,739,120</u> |

Source: District Treasurer's Office

Toledo Public School District

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$391,566,146 | \$403,716,045 | \$399,196,714 | \$397,688,562 | \$394,848,405 | \$388,203,178 |
| 64,306,216 | 25,562,136 | 14,538,912 | 11,414,880 | 8,332,462 | 10,520,906 |
| 5,413,569 | 5,033,770 | 3,533,300 | 5,589,194 | 5,288,828 | 7,445,781 |
| 293,603 | 264,040 | 234,188 | 232,740 | 236,247 | 176,178 |
| 503,291 | 503,291 | 635,992 | 503,291 | 503,291 | 566,932 |
| 23,724,299 | 26,904,962 | 27,516,635 | 33,192,023 | 33,366,822 | 29,890,859 |
| 4,190,775 | 11,218,263 | 27,695,386 | (319,997,488) | (303,704,237) | (294,058,282) |
| <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> | <u>\$142,745,552</u> |
| \$391,566,146 | \$403,716,045 | \$399,196,714 | \$397,688,562 | \$394,848,405 | \$388,203,178 |
| 94,240,978 | 58,268,199 | 46,459,027 | 50,932,128 | 47,727,650 | 48,600,656 |
| 4,190,775 | 11,218,263 | 27,695,386 | (319,997,488) | (303,704,237) | (294,058,282) |
| <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> | <u>\$142,745,552</u> |

Toledo Public School District

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

| | 2008 | 2009 | 2010 | 2011 |
|---|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| Instruction | \$263,193,272 | \$261,800,004 | \$247,655,446 | \$260,842,406 |
| Support Services | 133,764,377 | 135,291,670 | 132,178,983 | 121,820,020 |
| Non-Instructional Services | 25,644,073 | 26,726,017 | 23,329,071 | 25,822,082 |
| Extracurricular Activities | 5,107,505 | 5,471,234 | 5,397,381 | 3,563,783 |
| Interest and Fiscal Charges | 6,919,481 | 6,958,983 | 8,249,037 | 6,327,517 |
| <i>Total Primary Government Expenses</i> | <u>\$434,628,708</u> | <u>\$436,247,908</u> | <u>\$416,809,918</u> | <u>\$418,375,808</u> |
| Program Revenues | | | | |
| Charges for Services | | | | |
| Instruction | \$5,290,951 | \$4,023,645 | \$2,818,840 | \$2,738,592 |
| Support Services | 13,775,626 | 16,187,742 | 11,539,081 | 10,155,473 |
| Extracurricular Activities | 2,777,125 | 2,731,369 | 2,467,675 | 1,973,018 |
| Operating Grants and Contributions | 95,387,363 | 102,234,262 | 71,728,806 | 74,429,919 |
| Capital Grants and Contributions | 0 | 0 | 0 | 0 |
| <i>Total Primary Government Program Revenues</i> | <u>117,231,065</u> | <u>125,177,018</u> | <u>88,554,402</u> | <u>89,297,002</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | <u>(317,397,643)</u> | <u>(311,070,890)</u> | <u>(328,255,516)</u> | <u>(329,078,806)</u> |
| <i>Total Primary Government Net (Expense)/Revenue</i> | <u>(\$317,397,643)</u> | <u>(\$311,070,890)</u> | <u>(\$328,255,516)</u> | <u>(\$329,078,806)</u> |

Toledo Public School District

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$236,207,897 | \$253,504,953 | \$248,414,449 | \$246,372,454 | \$266,665,914 | \$286,130,941 |
| 114,249,054 | 113,119,827 | 112,950,654 | 114,915,707 | 120,830,538 | 140,445,126 |
| 16,957,213 | 18,046,982 | 16,218,267 | 18,785,625 | 29,007,085 | 30,991,650 |
| 2,387,172 | 2,245,368 | 2,759,367 | 3,249,709 | 3,175,089 | 3,503,091 |
| 6,815,825 | 7,305,050 | 5,379,439 | 6,003,602 | 6,222,235 | 4,641,812 |
| <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> | <u>\$465,712,620</u> |
| \$2,153,120 | \$2,868,817 | \$1,972,228 | \$2,516,440 | \$2,336,190 | \$3,278,656 |
| 8,424,558 | 7,956,396 | 6,920,620 | 7,041,992 | 5,810,515 | 7,025,108 |
| 1,457,008 | 1,537,986 | 1,597,357 | 1,183,810 | 2,197,356 | 2,306,953 |
| 46,905,184 | 49,415,641 | 43,841,888 | 64,885,961 | 53,962,546 | 46,642,415 |
| 13,271,422 | 957,329 | 1,579,317 | 80,091 | 160,716 | 158,017 |
| <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>59,411,149</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>(406,301,471)</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>(\$406,301,471)</u> |

(Continued)

Toledo Public School District

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

| | 2008 | 2009 | 2010 | 2011 |
|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <i>General Revenues and Other Changes in Net Position</i> | | | | |
| Governmental Activities | | | | |
| Property Taxes Levied for | | | | |
| General Purposes | \$89,303,614 | \$93,183,415 | \$91,408,483 | \$95,606,344 |
| Special Purposes | 1,099,423 | 1,151,977 | 1,062,637 | 1,002,932 |
| Debt Service | 11,056,591 | 11,305,429 | 8,089,438 | 9,129,011 |
| Capital Outlay | 3,984,819 | 4,034,149 | 5,586,245 | 1,432,954 |
| Grants and Entitlements not | | | | |
| Restricted to Specific Programs | 181,133,225 | 193,207,018 | 233,261,864 | 232,087,828 |
| Investment Earnings | 9,683,086 | 4,587,198 | 2,590,626 | (398,979) |
| Miscellaneous | 406,184 | 102,225 | 263,545 | 662,157 |
| Sale of Capital Assets | 0 | 0 | 0 | 0 |
| <i>Total Primary Government</i> | <u>\$296,666,942</u> | <u>\$307,571,411</u> | <u>\$342,262,838</u> | <u>\$339,522,247</u> |
| <i>Change in Net Position</i> | | | | |
| Governmental Activities | <u>(\$20,730,701)</u> | <u>(\$3,499,479)</u> | <u>\$14,007,322</u> | <u>\$10,443,441</u> |
| <i>Total Primary</i> | | | | |
| <i>Government Change in Net Position</i> | <u>(\$20,730,701)</u> | <u>(\$3,499,479)</u> | <u>\$14,007,322</u> | <u>\$10,443,441</u> |

Source: District Treasurer's Office

Toledo Public School District

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| \$74,414,156 | \$83,422,448 | \$81,819,809 | \$93,981,026 | \$95,497,720 | \$105,095,175 |
| 1,026,037 | 971,092 | 923,745 | 969,039 | 984,168 | 1,025,900 |
| 9,098,250 | 9,522,686 | 9,606,512 | 9,969,733 | 10,040,115 | 10,713,273 |
| 0 | 0 | 0 | 1,675,792 | 3,083,054 | 3,335,814 |
| 200,779,485 | 220,217,972 | 236,669,842 | 234,601,655 | 260,941,893 | 283,724,348 |
| 336,955 | 261,490 | 15,820 | 417,843 | 401,210 | 2,820,856 |
| 9,765 | 294,931 | 233,596 | 859,051 | 733,994 | 46,447 |
| 0 | 0 | 690,062 | 0 | 0 | 0 |
| <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>\$406,761,813</u> |
| (\$18,741,221) | (\$16,795,392) | \$148,620 | \$28,855,336 | \$10,248,616 | \$460,342 |
| <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>\$460,342</u> |

Toledo Public School District

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

| | 2008 | 2009 | 2010 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Nonspendable | \$0 | \$0 | \$0 | \$62,902 |
| Committed | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | (10,868,218) |
| Reserved | 13,719,985 | 13,008,918 | 12,554,700 | 0 |
| Unreserved | 1,776 | (17,195,736) | (25,259,943) | 0 |
| Total General Fund | 13,721,761 | (4,186,818) | (12,705,243) | (10,805,316) |
| All Other Governmental Funds | | | | |
| Nonspendable | 0 | 0 | 0 | 503,291 |
| Restricted | 0 | 0 | 0 | 121,037,616 |
| Unassigned | 0 | 0 | 0 | (3,538,516) |
| Reserved | 69,496,216 | 38,678,072 | 79,947,256 | 0 |
| Unreserved, Undesignated in: | | | | |
| Special Revenue Funds | (1,834,973) | 7,135,876 | 10,188,787 | 0 |
| Debt Service Fund | 13,863,182 | 10,920,852 | 4,797,338 | 0 |
| Capital Projects Funds | 9,668,289 | 67,224,903 | 70,492,241 | 0 |
| Permanent Fund | 350,204 | 341,588 | 326,522 | 0 |
| Total All Other Governmental Funds | 91,542,918 | 124,301,291 | 165,752,144 | 118,002,391 |
| Total Governmental Funds | \$105,264,679 | \$120,114,473 | \$153,046,901 | \$107,197,075 |

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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$65,468 | \$64,409 | \$73,616 | \$67,451 | \$93,390 | \$73,732 |
| 0 | 0 | 0 | 0 | 6,621,906 | 6,621,906 |
| 0 | 59,848 | 8,280,777 | 8,841,299 | 5,266,196 | 2,559,940 |
| (1,229,421) | 0 | 20,859,280 | 30,866,651 | 41,460,060 | 51,255,606 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>(1,163,953)</u> | <u>124,257</u> | <u>29,213,673</u> | <u>39,775,401</u> | <u>53,441,552</u> | <u>60,511,184</u> |
| 503,291 | 503,291 | 635,992 | 732,665 | 838,051 | 847,576 |
| 86,806,823 | 48,949,228 | 36,347,497 | 33,677,935 | 33,361,828 | 30,278,420 |
| (849,304) | (92,975) | (744,742) | (2,977,205) | (2,500,006) | (1,270,289) |
| 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>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>29,855,707</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> | <u>\$90,366,891</u> |

Toledo Public School District

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

| | 2008 | 2009 | 2010 | 2011 |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Revenues: | | | | |
| Taxes | \$114,312,225 | \$105,699,938 | \$101,918,154 | \$96,848,838 |
| Tuition | 4,130,667 | 2,889,694 | 1,882,544 | 1,996,903 |
| Transportation Fees | 764,427 | 809,245 | 789,969 | 512,767 |
| Food Services | 1,791,657 | 1,664,852 | 1,402,139 | 1,053,241 |
| Investment Earnings | 9,779,617 | 4,916,848 | 2,458,103 | (359,695) |
| Extracurricular Activities | 1,236,132 | 1,096,809 | 1,114,890 | 875,047 |
| Class Materials and Fees | 331,134 | 309,764 | 328,486 | 120,999 |
| Intermediate Sources | 60,000 | 20,000 | 0 | 0 |
| Intergovernmental - State | 295,700,158 | 295,597,310 | 288,513,123 | 274,473,871 |
| Intergovernmental - Federal | 38,934,570 | 54,073,343 | 80,117,268 | 73,165,870 |
| All Other Revenue | 13,948,465 | 16,274,444 | 11,481,474 | 10,238,626 |
| Total Revenue | <u>480,989,052</u> | <u>483,352,247</u> | <u>490,006,150</u> | <u>458,926,467</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 226,968,624 | 252,993,864 | 251,020,566 | 237,995,598 |
| Supporting Services | 141,432,307 | 143,794,427 | 138,912,335 | 126,115,598 |
| Non-Instructional Services | 24,870,693 | 23,917,955 | 25,184,615 | 31,025,845 |
| Extracurricular Activities | 4,871,994 | 5,282,257 | 5,289,492 | 3,467,440 |
| Capital Outlay | 97,176,358 | 64,251,427 | 20,583,735 | 96,128,614 |
| Debt Service: | | | | |
| Principal Retirement | 3,330,000 | 3,415,000 | 7,835,000 | 4,260,000 |
| Interest and Fiscal Charges | 7,047,876 | 7,229,513 | 8,361,259 | 6,446,406 |
| Advance Refunding Escrow | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>505,697,852</u> | <u>500,884,443</u> | <u>457,187,002</u> | <u>505,439,501</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (24,708,800) | (17,532,196) | 32,819,148 | (46,513,034) |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 46,765 | 0 | 113,280 | 663,208 |
| Payments to Refunding Bonds Escrow Agent | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 31,999,995 | 0 | 0 |
| Premium on Issuance of General Obligation Bonds | 0 | 381,995 | 0 | 0 |
| Transfers In | 7,277,303 | 10,417,146 | 8,429,486 | 3,575,875 |
| Transfers Out | (7,416,942) | (10,417,146) | (8,429,486) | (3,575,875) |
| Total Other Financing Sources (Uses) | <u>(92,874)</u> | <u>32,381,990</u> | <u>113,280</u> | <u>663,208</u> |
| Net Change in Fund Balance | <u>(\$24,801,674)</u> | <u>\$14,849,794</u> | <u>\$32,932,428</u> | <u>(\$45,849,826)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 2.45% | 2.51% | 3.90% | 2.56% |

Source: District Treasurer's Office

Toledo Public School District

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------|-----------------------|---------------------|--------------------|---------------------|--------------------|
| \$92,962,714 | \$93,893,529 | \$93,007,599 | \$104,065,819 | \$111,475,291 | \$109,515,639 |
| 2,139,162 | 2,349,810 | 1,968,937 | 2,513,804 | 2,333,778 | 3,275,085 |
| 380,291 | 528,656 | 502,136 | 585,879 | 572,147 | 563,781 |
| 753,334 | 769,247 | 669,802 | 546,704 | 600,033 | 614,879 |
| 343,334 | 241,651 | 31,672 | 410,958 | 395,342 | 2,672,290 |
| 487,122 | 526,133 | 501,753 | 606,027 | 621,907 | 602,033 |
| 58,356 | 68,329 | 49,314 | 71,244 | 59,516 | 58,693 |
| 10,200 | 0 | 0 | 0 | 0 | 0 |
| 245,334,613 | 221,463,606 | 234,244,064 | 243,750,709 | 257,825,756 | 280,254,805 |
| 58,919,333 | 48,000,565 | 45,483,373 | 48,352,824 | 60,319,353 | 49,758,604 |
| 8,262,528 | 8,378,570 | 7,065,872 | 7,248,198 | 6,882,894 | 7,550,755 |
| <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> | <u>454,866,564</u> |
| 221,413,444 | 221,802,330 | 227,264,916 | 239,436,363 | 249,302,701 | 261,427,111 |
| 116,235,381 | 116,699,988 | 99,596,810 | 117,036,455 | 123,683,420 | 139,507,314 |
| 29,646,355 | 20,478,826 | 15,485,916 | 27,768,558 | 29,294,087 | 29,903,470 |
| 2,282,608 | 2,805,310 | 2,668,020 | 3,190,583 | 3,171,691 | 3,422,932 |
| 50,477,831 | 38,640,728 | 11,940,543 | 3,587,138 | 9,966,829 | 1,929,622 |
| 4,395,000 | 4,760,000 | 4,805,000 | 4,570,000 | 5,180,000 | 5,425,000 |
| 7,568,120 | 6,388,271 | 6,031,150 | 6,657,267 | 6,832,291 | 5,404,941 |
| 0 | 0 | 829,866 | 0 | 0 | 0 |
| <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> | <u>447,020,390</u> |
| (22,367,752) | (35,355,357) | 14,902,301 | 5,905,802 | 13,654,998 | 7,846,174 |
| 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 | 0 |
| 1,282,460 | 1,250,851 | 118,904 | 104,697 | 526,756 | 281,039 |
| <u>(1,282,460)</u> | <u>(1,250,851)</u> | <u>(118,904)</u> | <u>(104,697)</u> | <u>(526,756)</u> | <u>(281,039)</u> |
| 467,534 | (457,699) | 1,066,318 | 0 | 277,631 | 0 |
| <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> | <u>\$7,846,174</u> |
| 3.12% | 2.86% | 3.20% | 2.85% | 2.85% | 2.43% |

Toledo Public School District

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

| Tax year | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Real Property | | | | | |
| Assessed | 3,025,038 | 2,980,687 | 2,973,109 | 2,667,357 | 2,573,582 |
| Actual | 8,642,966 | 8,516,249 | 8,494,597 | 7,621,020 | 7,353,091 |
| Public Utility | | | | | |
| Assessed | 137,134 | 138,071 | 97,072 | 107,158 | 114,195 |
| Actual | 137,134 | 138,071 | 97,072 | 107,158 | 114,195 |
| Tangible Personal Property | | | | | |
| Assessed | 210,923 | 153,551 | 15,315 | 7,407 | 0 |
| Actual | 1,687,384 | 2,456,816 | 153,150 | 74,070 | 0 |
| Total | | | | | |
| Assessed | 3,373,095 | 3,272,309 | 3,085,496 | 2,781,922 | 2,687,777 |
| Actual | 10,467,484 | 11,111,136 | 8,744,819 | 7,802,248 | 7,467,286 |
| Assessed Value as a Percentage of Actual Value | 32.22% | 29.45% | 35.28% | 35.66% | 35.99% |
| Total Direct Tax Rate | \$67.10 | \$66.90 | \$67.70 | \$65.70 | \$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

| 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------|-----------|-----------|-----------|-----------|
| 2,188,403 | 2,164,564 | 2,142,644 | 2,105,181 | 2,098,746 |
| 6,252,580 | 6,184,469 | 6,121,840 | 6,014,803 | 5,996,417 |
| 122,237 | 135,775 | 145,063 | 150,900 | 169,527 |
| 122,237 | 135,775 | 145,063 | 150,900 | 169,527 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 2,310,640 | 2,300,339 | 2,287,707 | 2,256,081 | 2,268,273 |
| 6,374,817 | 6,320,244 | 6,266,903 | 6,165,703 | 6,165,944 |
| 36.25% | 36.40% | 36.50% | 36.59% | 36.79% |
| \$67.40 | \$67.40 | \$67.40 | \$73.10 | \$73.58 |

Toledo Public School District

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

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Direct District Rates | | | | | |
| General Fund | 59.80 | 59.80 | 60.60 | 61.20 | 61.20 |
| Permanent Improvement Fund | 3.00 | 3.00 | 3.00 | 0.50 | 0.50 |
| Bond Retirement Fund | 4.30 | 4.10 | 4.10 | 4.00 | 4.00 |
| Total | <u>67.10</u> | <u>66.90</u> | <u>67.70</u> | <u>65.70</u> | <u>65.70</u> |
| Overlapping Rates | | | | | |
| Townships: | | | | | |
| Harding | 3.00 | 4.80 | 4.80 | 4.80 | 4.80 |
| Spencer | 6.00 | 8.00 | 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 | 18.17 | 18.17 | 16.17 | 16.17 |
| Total | <u>102.60</u> | <u>106.37</u> | <u>107.17</u> | <u>103.17</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>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------|---------------|---------------|---------------|---------------|
| 61.70 | 61.70 | 61.70 | 66.00 | 66.28 |
| 0.50 | 0.50 | 0.50 | 2.00 | 2.00 |
| <u>5.20</u> | <u>5.20</u> | <u>5.20</u> | <u>5.10</u> | <u>5.30</u> |
| <u>67.40</u> | <u>67.40</u> | <u>67.40</u> | <u>73.10</u> | <u>73.58</u> |
| 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>17.77</u> | <u>17.77</u> | <u>17.77</u> | <u>19.77</u> | <u>19.77</u> |
| <u>106.47</u> | <u>106.47</u> | <u>106.47</u> | <u>114.17</u> | <u>114.65</u> |

Toledo Public School District

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

Calendar Year 2016

| Name of Taxpayer | Nature of Business | Assessed Value | Rank | Percent of Total Assessed Value |
|------------------------------------|--------------------|----------------|------|---------------------------------|
| GLP Capital LP | Casino | \$56,561 | 1 | 2.51% |
| One Seagate Partners | Realty | 10,430 | 2 | 0.46% |
| University Residences at Westwood | Realty | 5,377 | 3 | 0.24% |
| LC Country Club | Realty | 4,871 | 4 | 0.22% |
| Bravo Ohio LLC | Realty | 3,797 | 5 | 0.17% |
| Toledo VA Company | Health Care | 3,557 | 6 | 0.16% |
| CREI Toledo | Realty | 3,302 | 7 | 0.15% |
| Toledo Lucas County Port Authority | Realty | 3,010 | 8 | 0.13% |
| George Eyde Family LLC | Realty | 2,994 | 9 | 0.13% |
| PLT Holdings LLC | Realty | 2,930 | 10 | 0.13% |
| Subtotal | | 96,829 | | 4.30% |
| All Others | | 2,152,227 | | 95.70% |
| Total | | \$2,249,056 | | 100.00% |

Calendar Year 2007

| Name of Taxpayer | Nature of Business | Assessed Value | Rank | Percent of Total Assessed Value |
|-----------------------------------|--------------------|----------------|------|---------------------------------|
| One Seagate LLC | Realty | \$11,531 | 1 | 0.38% |
| St. Vincent Medical Center | Hospital | 9,316 | 2 | 0.31% |
| AERC | Realty | 7,900 | 3 | 0.26% |
| CA New Plan Acquisition | Realty | 6,563 | 4 | 0.22% |
| ERT Southland LLC | Realty | 5,775 | 5 | 0.19% |
| Toledo Hospital/Promedica | Hospital | 5,662 | 6 | 0.19% |
| University Residences at Westwood | Realty | 5,558 | 7 | 0.18% |
| Airport Square Investment | Realty | 5,110 | 8 | 0.17% |
| Ercelick | Realty | 4,934 | 9 | 0.16% |
| Steeplechase Developers | Realty | 4,832 | 10 | 0.16% |
| Subtotal | | 67,181 | | 2.22% |
| All Others | | 2,957,857 | | 97.78% |
| Total | | \$3,025,038 | | 100.00% |

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2016 and 2007

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 2016 | | |
|-----------------------------|-------------------------|--------------------|------|---------------------------------|
| 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 2007 | | |
|---------------------|--------------------------|--------------------|------|---------------------------------|
| Name of Taxpayer | Nature of Business | Assessed Value | Rank | Percent of Total Assessed Value |
| Toledo Edison | Electric Distribution | \$48,431 | 1 | 24.57% |
| Ohio Bell Telephone | Telephone | 61,614 | 2 | 31.25% |
| Coulumbia Gas | Natural Gas Distribution | 51,623 | 3 | 26.18% |
| | Subtotal | 161,668 | | 82.00% |
| | All Others | 35,482 | | 18.00% |
| | Total | \$197,150 | | 100.00% |

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2016 and 2007

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>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|---------------|--------------|--------------|--------------|
| Total Tax Levy (1) | \$121,796 | \$125,132 | \$117,731 | \$113,750 |
| Collections within the Fiscal Year of the Levy | | | | |
| Current Tax Collections (2) | 116,283 | 117,843 | 99,431 | 98,171 |
| Percent of Levy Collected | 95.47% | 94.17% | 84.46% | 86.30% |
| Delinquent Tax Collections (3) | <u>11,023</u> | <u>8,449</u> | <u>8,215</u> | <u>9,032</u> |
| Total Tax Collections | 127,306 | 126,292 | 107,646 | 107,203 |
| Percent of Total Tax Collections To Tax Levy | 104.52% | 100.93% | 91.43% | 94.24% |
| Accumulated Outstanding Delinquent Taxes | 14,411 | 21,234 | 20,721 | 21,545 |
| Percentage of Accumulated | | | | |
| Delinquent Taxes to Total Tax Levy | 11.83% | 16.97% | 17.60% | 18.94% |

(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>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$113,232 | \$112,645 | \$112,645 | \$113,280 | \$124,828 | \$124,828 |
| 95,804 | 96,711 | 106,675 | 97,016 | 106,906 | 115,564 |
| 84.61% | 85.85% | 94.70% | 85.64% | 85.64% | 92.58% |
| <u>8,510</u> | <u>9,845</u> | <u>9,861</u> | <u>8,878</u> | <u>9,783</u> | <u>7,593</u> |
| 104,314 | 106,556 | 116,536 | 105,894 | 116,689 | 123,157 |
| 92.12% | 94.59% | 103.45% | 93.48% | 93.48% | 98.66% |
| 27,716 | 22,089 | 21,103 | 28,898 | 23,882 | 27,105 |
| 24.48% | 19.61% | 18.73% | 25.51% | 19.13% | 21.71% |

Toledo Public School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

| | 2008 | 2009 | 2010 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities ⁽¹⁾ | | | | |
| General Obligation Bonds Payable | <u>\$153,125,566</u> | <u>\$181,939,114</u> | <u>\$173,950,672</u> | <u>\$169,537,230</u> |
| Total Primary Government | <u>\$153,125,566</u> | <u>\$181,939,114</u> | <u>\$173,950,672</u> | <u>\$169,537,230</u> |
| Population ⁽²⁾ | | | | |
| City of Toledo | 313,619 | 313,619 | 287,208 | 286,038 |
| Outstanding Debt Per Capita | \$488 | \$580 | \$606 | \$593 |
| Income | | | | |
| Personal (in thousands) | 10,298,307 | 10,095,709 | 6,887,535 | 5,380,089 |
| Percentage of Personal Income | 1.49% | 1.80% | 2.53% | 3.15% |

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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <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>\$142,796,274</u> |
| <u><u>\$168,958,777</u></u> | <u><u>\$164,920,184</u></u> | <u><u>\$158,729,534</u></u> | <u><u>\$153,140,847</u></u> | <u><u>\$147,377,669</u></u> | <u><u>\$142,796,274</u></u> |
| 286,208 \$590 | 284,012 \$581 | 282,313 \$562 | 281,031 \$545 | 279,789 \$527 | 278,508 \$513 |
| 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% | 6,803,393 2.10% |

Toledo Public School District

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

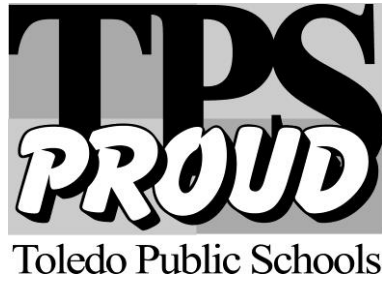
| Year | 2008 | 2009 | 2010 | 2011 |
|--|-------------|-------------|-------------|-------------|
| Population (1) | 313,619 | 313,619 | 287,208 | 286,038 |
| Assessed Value (2) | \$3,272,309 | \$3,085,496 | \$2,781,922 | \$2,729,775 |
| General Bonded Debt (3) | | | | |
| General Obligation Bonds | \$153,126 | \$181,939 | \$173,951 | \$169,537 |
| Resources Available to Pay Principal (4) | \$13,863 | \$11,526 | \$5,293 | \$5,193 |
| Net General Bonded Debt | \$139,263 | \$170,413 | \$168,658 | \$164,344 |
| Ratio of Net Bonded Debt to Assessed Actual Value | 4.26% | 5.52% | 6.06% | 6.02% |
| Net Bonded Debt per Capita | \$444 | \$543 | \$587 | \$575 |

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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 286,208 | 284,012 | 282,313 | 281,031 | 279,789 | 278,508 |
| \$2,687,777 | \$2,188,403 | \$2,164,564 | \$2,287,708 | \$2,256,081 | \$2,268,273 |
| \$168,959 | \$164,920 | \$158,729 | \$153,141 | \$149,377 | \$142,796 |
| \$4,314 | \$3,767 | \$3,669 | \$4,314 | \$4,196 | \$5,199 |
| \$164,645 | \$161,153 | \$155,060 | \$148,827 | \$145,181 | \$137,597 |
| 6.13% | 7.36% | 7.16% | 6.51% | 6.44% | 6.07% |
| \$575 | \$567 | \$549 | \$530 | \$519 | \$494 |



Toledo Public School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
(amounts in thousands)
June 30, 2017*

| Jurisdiction | Gross Debt Outstanding | Percentage Applicable to Toledo Public School District | Amount Applicable to Toledo Public School District |
|-------------------------------|---------------------------|---|---|
| Direct: | | | |
| Toledo Public School District | \$129,439 | 100.00% | \$129,439 |
| Overlapping: | | | |
| Lucas County | 93,572 | 31.53% | 29,503 |
| City of Toledo | 92,774 | 68.47% | 63,522 |
| | | Subtotal | 93,026 |
| | | Total | \$222,465 |

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>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|-------------------------|-------------------------|-------------------------|------------------------|
| Net Assessed Valuation | \$3,373,095 | \$3,272,309 | \$3,085,496 | \$2,781,922 |
| Overall Direct Debt Limitation | | | | |
| Legal Debt Limitation (%) (1) | 9.00% | 9.00% | 9.00% | 9.00% |
| Legal Debt Limitation (\$) (1) | 303,579 | 294,508 | 277,695 | 250,373 |
| Applicable District Debt Outstanding | 153,135 | 149,805 | 178,389 | 170,555 |
| Less: Applicable Debt Service Fund Amounts (2) | <u>(11,268)</u> | <u>(13,863)</u> | <u>(11,526)</u> | <u>(5,293)</u> |
| Net Indebtedness Subject to Limitation | <u>141,867</u> | <u>135,942</u> | <u>166,863</u> | <u>165,262</u> |
| Overall Legal Debt Margin | <u><u>\$161,712</u></u> | <u><u>\$158,566</u></u> | <u><u>\$110,832</u></u> | <u><u>\$85,111</u></u> |
| Unvoted Direct Debt Limitation | | | | |
| Legal Debt Limitation (%) (1) | 0.10% | 0.10% | 0.10% | 0.10% |
| Legal Debt Limitation (\$) (1) | 3,373 | 3,272 | 3,085 | 2,782 |
| Applicable District Debt Outstanding | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Unvoted Legal Debt Margin | <u><u>\$3,373</u></u> | <u><u>\$3,272</u></u> | <u><u>\$3,085</u></u> | <u><u>\$2,782</u></u> |
| Energy Conservation Bond Limitation | | | | |
| Legal Debt Limitation (%) (1) | 0.90% | 0.90% | 0.90% | 0.90% |
| Legal Debt Limitation (\$) (1) | 30,358 | 29,451 | 27,769 | 25,037 |
| Authorized by the Board | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Unvoted Energy Conservation Bond Legal Debt Margin | <u><u>\$30,358</u></u> | <u><u>\$29,451</u></u> | <u><u>\$27,769</u></u> | <u><u>\$25,037</u></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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$2,687,777 | \$2,310,640 | \$2,300,339 | \$2,287,707 | \$2,256,081 | \$2,268,273 |
| 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| 241,900 | 207,958 | 207,031 | 205,894 | 203,047 | 204,145 |
| 160,070 | 152,565 | 143,855 | 139,285 | 149,377 | 142,796 |
| (5,193) | (4,314) | (3,767) | (3,669) | (4,314) | (4,196) |
| <u>154,877</u> | <u>148,251</u> | <u>140,088</u> | <u>135,616</u> | <u>145,063</u> | <u>138,600</u> |
| <u>\$87,023</u> | <u>\$59,707</u> | <u>\$66,943</u> | <u>\$70,278</u> | <u>\$57,984</u> | <u>\$65,545</u> |
| | | | | | |
| 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| 2,688 | 2,311 | 2,300 | 2,288 | 2,256 | 2,268 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$2,688</u> | <u>\$2,311</u> | <u>\$2,300</u> | <u>\$2,288</u> | <u>\$2,256</u> | <u>\$2,268</u> |
| | | | | | |
| 0.90% | 0.90% | 0.90% | 0.90% | 0.90% | 0.90% |
| 24,190 | 20,796 | 20,703 | 20,589 | 20,305 | 20,414 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$24,190</u> | <u>\$20,796</u> | <u>\$20,703</u> | <u>\$20,589</u> | <u>\$20,305</u> | <u>\$20,414</u> |

Toledo Public School District

Demographic and Economic Statistics Last Ten Years

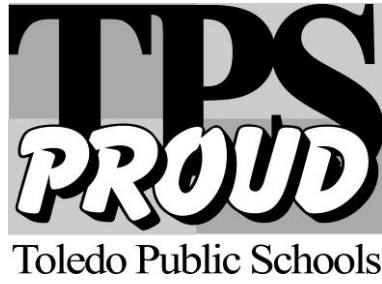
| Calendar Year | 2007 | 2008 | 2009 | 2010 |
|---|---------------|---------------|---------------|---------------|
| Population (1) | | | | |
| City of Toledo | 313,619 | 313,619 | 313,619 | 287,208 |
| Lucas County | 437,901 | 437,901 | 437,901 | 441,815 |
| Income (2) (a) | | | | |
| Total Personal (in thousands) | 10,135,852 | 10,298,307 | 10,095,709 | 6,887,535 |
| Per Capita | 32,319 | 32,837 | 32,191 | 23,981 |
| Unemployment Rate (3) | | | | |
| Federal | 4.6% | 5.8% | 9.3% | 9.6% |
| State | 5.6% | 6.6% | 10.2% | 10.1% |
| Lucas County | 6.7% | 8.3% | 12.2% | 11.3% |
| | | | | |
| Fiscal Year | 2008 | 2009 | 2010 | 2011 |
| School Enrollment (4) | | | | |
| Elementary School (K-5 & K-6 configuration) | 13,100 | 13,197 | 13,321 | 13,748 |
| Middle School (6-8 & 7-8 configuration) | 6,297 | 4,312 | 3,856 | 3,249 |
| High School (9-12) | 8,269 | 7,079 | 6,809 | 6,680 |
| Special (5) | 583 | 1,204 | 1,209 | 642 |
| Total | <u>28,249</u> | <u>25,792</u> | <u>25,195</u> | <u>24,319</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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 286,038 | 284,012 | 282,313 | 281,031 | 279,789 | 278,508 |
| 440,005 | 437,998 | 436,393 | 435,286 | 433,689 | 433,689 |
| 5,380,089 | 5,383,286 | 6,743,046 | 9,363,110 | 6,834,685 | 6,803,393 |
| 18,809 | 17,245 | 23,885 | 33,317 | 24,428 | 24,428 |
| 8.9% | 7.8% | 7.4% | 5.9% | 5.1% | 5.1% |
| 8.6% | 6.7% | 7.4% | 5.3% | 5.2% | 5.2% |
| 9.7% | 8.5% | 8.5% | 6.3% | 5.0% | 5.0% |
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 11,512 | 12,364 | 12,284 | 12,420 | 11,054 | 11,310 |
| 4,742 | 3,013 | 3,019 | 3,110 | 4,702 | 4,792 |
| 6,187 | 6,061 | 5,912 | 5,740 | 5,824 | 5,950 |
| 31 | 40 | 40 | 38 | 38 | 38 |
| <u>22,472</u> | <u>21,478</u> | <u>21,255</u> | <u>21,308</u> | <u>21,618</u> | <u>22,090</u> |



Toledo Public School District

Principal Employers Current Year and Nine Years Ago

| Employer | Nature of Business | Fiscal Year 2017 | | |
|---|--------------------|---------------------|------|--------------------------------|
| | | 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% |
| | | 343,401 | | 100.00% |

| Employer | Nature of Business | Fiscal Year 2008 | | |
|--------------------------------------|--------------------------|---------------------|------|--------------------------------|
| | | Number of Employees | Rank | Percentage of Total Employment |
| ProMedica Health Systems | Hospital | 9,820 | 1 | 4.98% |
| The University of Toledo | Education | 8,700 | 2 | 4.41% |
| Mercy Health Partners | Hospital | 6,777 | 3 | 3.43% |
| Toledo Public Schools | Education | 4,489 | 4 | 2.27% |
| Lucas County | Government | 3,912 | 5 | 1.98% |
| Chrysler Holding | Automotive/Manufacturing | 3,854 | 6 | 1.95% |
| The City of Toledo | Government | 2,855 | 7 | 1.45% |
| Kroger, Inc. | Retail | 2,847 | 8 | 1.44% |
| Wal-Mart | Retail | 2,451 | 9 | 1.24% |
| State of Ohio | Government | 2,363 | 10 | 1.20% |
| Total | | 48,068 | | 24.35% |
| Total Employment within the District | | 149,300 | | 75.65% |
| | | 197,368 | | 100.00% |

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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Supervisory | | | | | |
| Instructional Administrators | 44 | 45 | 49 | 42 | 29 |
| Noninstructional Administrators | 62 | 59 | 68 | 66 | 59 |
| Principals | 51 | 55 | 61 | 52 | 48 |
| Assistant Principals | 51 | 39 | 45 | 33 | 33 |
| Instruction | | | | | |
| Classroom Teachers | | | | | |
| Elementary | 1,057 | 1,051 | 1,249 | 987 | 976 |
| Middle | 299 | 324 | 378 | 321 | 224 |
| High | 655 | 540 | 614 | 524 | 484 |
| Other | 169 | 143 | 175 | 95 | 66 |
| Student Services | | | | | |
| Guidance Counselors | 67 | 60 | 68 | 63 | 48 |
| Psychologists | 23 | 28 | 27 | 22 | 25 |
| Other Professionals (noninstructional) | 31 | 19 | 38 | 17 | 17 |
| Support Services | | | | | |
| Clerical/Secretaries | 311 | 271 | 319 | 235 | 202 |
| Tutors/Aides | 358 | 324 | 376 | 313 | 310 |
| Food Service | 243 | 222 | 253 | 208 | 183 |
| Maintenance/Grounds | 346 | 304 | 366 | 299 | 254 |
| Transportation | 212 | 194 | 232 | 176 | 168 |
| <i>Total Employees</i> | <u>3,979</u> | <u>3,678</u> | <u>4,318</u> | <u>3,453</u> | <u>3,126</u> |

Source: District Treasurer's Office

Toledo Public School District

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------|--------------|--------------|--------------|--------------|
| 29 | 29 | 27 | 31 | 32 |
| 65 | 68 | 64 | 77 | 79 |
| 49 | 47 | 43 | 54 | 55 |
| 42 | 35 | 32 | 40 | 41 |
| 940 | 916 | 925 | 911 | 933 |
| 223 | 221 | 223 | 223 | 228 |
| 477 | 472 | 477 | 475 | 486 |
| 124 | 131 | 132 | 132 | 135 |
| 47 | 51 | 55 | 55 | 56 |
| 25 | 25 | 26 | 26 | 27 |
| 17 | 19 | 19 | 20 | 20 |
| 203 | 205 | 234 | 220 | 225 |
| 334 | 356 | 407 | 359 | 368 |
| 179 | 168 | 192 | 164 | 168 |
| 251 | 268 | 306 | 265 | 271 |
| 156 | 166 | 190 | 222 | 227 |
| <u>3,161</u> | <u>3,177</u> | <u>3,352</u> | <u>3,274</u> | <u>3,351</u> |

Toledo Public School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

| Fiscal Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Enrollment | 28,249 | 25,792 | 25,195 | 24,319 | 22,472 |
| Modified Accrual Basis | | | | | |
| Operating Expenditures | 505,697,852 | 500,884,443 | 457,187,002 | 505,439,501 | 432,018,739 |
| Cost per Pupil | 17,901 | 19,420 | 18,146 | 20,784 | 19,225 |
| Percentage of Change | 8.02% | 8.48% | (6.56%) | 14.54% | (7.50%) |
| Accrual Basis | | | | | |
| Expenses | 434,628,708 | 436,247,908 | 416,809,918 | 418,375,808 | 376,617,161 |
| Cost per Pupil | 15,386 | 16,914 | 16,543 | 17,204 | 16,759 |
| Percentage of Change | 23.67% | 9.93% | (2.19%) | 3.99% | (2.58%) |
| Teaching Staff | 2,201 | 2,058 | 2,116 | 1,927 | 1,750 |
| Pupil to Teacher Ratio | | | | | |
| Toledo | 18.0 | 18.0 | N/A | N/A | N/A |
| State Average | 18.6 | 18.6 | N/A | N/A | N/A |

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

N/A = Not available

Toledo Public School District

| 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------------|-------------|-------------|-------------|
| 21,478 | 21,255 | 21,308 | 21,618 | 22,090 |
| 411,575,453 | 368,622,221 | 402,246,364 | 427,431,019 | 447,020,390 |
| 19,163 | 17,343 | 18,878 | 19,772 | 20,236 |
| (0.32%) | (9.50%) | 8.85% | 4.74% | 2.35% |
| 394,222,180 | 385,722,176 | 389,327,097 | 425,900,861 | 465,712,620 |
| 18,355 | 18,147 | 18,271 | 19,701 | 21,083 |
| 9.52% | (1.13%) | 0.68% | 7.83% | 7.01% |
| 1,764 | 1,740 | 1,764 | 1,768 | 1,870 |
| N/A | 12.2 | 12.0 | 12.2 | 12.2 |
| N/A | N/A | N/A | N/A | N/A |

Toledo Public School District

*Operating Indicators by Function
Last Ten Years*

| | 2008 | 2009 | 2010 | 2011 |
|---|-----------|-----------|-----------|-----------|
| Governmental Activities | | | | |
| Instruction | | | | |
| Regular | 22,995 | 21,020 | 20,358 | 19,671 |
| Special | 5,254 | 4,771 | 4,837 | 4,648 |
| Support Services | | | | |
| Pupils | | | | |
| Enrollment | 28,249 | 25,792 | 25,195 | 24,319 |
| Graduates | 1,284 | 1,267 | 1,303 | 1,272 |
| Percent of Students with Disabilities | 18.60% | 18.50% | 19.20% | 19.10% |
| Percent of Students with English as Second Language | 1.80% | 1.40% | 1.50% | 2.26% |
| Administration | | | | |
| School Attendance Rate | 95.20% | 94.90% | 94.90% | 94.70% |
| Fiscal Services | | | | |
| Purchase Orders Processed | 23,998 | 23,998 | 20,917 | 19,867 |
| Checks Issued (non payroll) | 26,306 | 26,825 | 27,187 | 15,650 |
| Operation and Maintenance of Plant | | | | |
| District Square Footage Maintained | 5,449,806 | 5,588,049 | 5,588,049 | 6,263,196 |
| District Square Acreage Maintained | 125 | 128 | 128 | 144 |
| Pupil Transportation | | | | |
| Average Daily Students Transported | 10,323 | 11,114 | 13,269 | 2,893 |
| Average Daily Bus Fleet Miles | 10,892 | 10,392 | 10,125 | 8,300 |
| Number of Buses | 162 | 166 | 160 | 124 |
| Operation of Noninstructional Services | | | | |
| Food Service | | | | |
| Students Meals Served Daily | 14,290 | 14,643 | 15,089 | 14,952 |
| Free/Reduced Price Meals Daily | 12,977 | 13,400 | 13,206 | 13,750 |
| Extracurricular Activities | | | | |
| High School Varsity Teams | 115 | 115 | 115 | 48 |

Source: District Treasurer's Office

Toledo Public School District

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 19,034 | 18,050 | 17,382 | 17,271 | 17,665 | 18,050 |
| 4,140 | 3,698 | 3,873 | 4,037 | 3,953 | 4,040 |
| 23,174 | 21,748 | 21,255 | 21,308 | 21,618 | 22,090 |
| 1,075 | 1,026 | 922 | 879 | 1,118 | 1,126 |
| 18.00% | 20.49% | 18.22% | 19.15% | 17.20% | 17.20% |
| 1.61% | 1.88% | 1.97% | 1.98% | 2.22% | 2.22% |
| 94.30% | 94.10% | 93.02% | 94.00% | 93.80% | 93.80% |
| 16,759 | 17,424 | 16,043 | 17,481 | 17,827 | 17,840 |
| 19,312 | 17,232 | 18,460 | 17,707 | 17,375 | 17,340 |
| 5,183,088 | 5,183,088 | 5,183,088 | 5,183,088 | 4,937,327 | 4,937,327 |
| 144 | 144 | 144 | 144 | 147 | 147 |
| 3,517 | 3,327 | 3,025 | 3,589 | 3,948 | 3,948 |
| 8,190 | 2,783 | 3,224 | 9,048 | 10,358 | 10,358 |
| 120 | 122 | 115 | 171 | 147 | 147 |
| 18,652 | 22,939 | 19,061 | 22,172 | 21,702 | 21,750 |
| 17,428 | 20,692 | 17,155 | 21,263 | 20,780 | 20,850 |
| 48 | 48 | 48 | 48 | 48 | 48 |

Toledo Public School District

Operating Indicators - Teacher Base Salaries Last Ten Years

| Fiscal Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------|--------|--------|--------|--------|--------|
| Minimum Salary | 32,697 | 34,351 | 35,313 | 34,960 | 34,086 |
| Maximum Salary | 65,520 | 68,836 | 70,763 | 72,867 | 71,045 |
| District Average Salary | 50,083 | 52,735 | 54,568 | 56,585 | 53,613 |
| County Average Salary | 56,228 | 59,210 | 61,490 | NA | 41,949 |
| State Average Salary | 53,410 | 54,656 | 55,958 | 56,715 | 48,071 |

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

Operating Indicators - Teacher by Education Last Ten Years

| Fiscal Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------|-------|-------|-------|-------|-------|
| Bachelor's Degree | 1,010 | 933 | 945 | 824 | 759 |
| Master's Degree | 1,180 | 1,115 | 1,161 | 1,095 | 980 |
| Doctorate | 11 | 10 | 10 | 8 | 11 |
| Total | 2,201 | 2,058 | 2,116 | 1,927 | 1,750 |

Source: District Treasurer's Office

N/A - not available

Toledo Public School District

| 2013 | 2014 | 2015 | 2016 | 2017 |
|--------|--------|--------|--------|--------|
| 34,086 | 34,427 | 34,771 | 35,116 | 35,870 |
| 70,871 | 71,580 | 71,071 | 73,012 | 77,292 |
| 52,143 | 50,848 | 51,237 | 51,223 | 56,744 |
| 41,949 | 41,556 | 41,556 | 40,245 | 40,540 |
| 48,071 | 48,308 | 56,237 | 48,081 | 48,099 |

| 2013 | 2014 | 2015 | 2016 | 2017 |
|-------|-------|-------|-------|-------|
| 789 | 735 | 755 | 755 | 799 |
| 956 | 984 | 988 | 991 | 1,048 |
| 19 | 21 | 21 | 22 | 23 |
| 1,764 | 1,740 | 1,764 | 1,768 | 1,870 |

Toledo Public School District

Capital Asset Statistics by Building Last Ten Years

| | 2008 | 2009 | 2010 | 2011 |
|--|-----------|-----------|-----------|-----------|
| School Buildings | | | | |
| High Schools | | | | |
| Number of Buildings | 7 | 7 | 7 | 7 |
| Square Footage | 1,943,186 | 1,947,738 | 1,947,738 | 1,947,738 |
| Enrollment | 8,272 | 7,079 | 6,809 | 6,680 |
| Junior High Schools * | | | | |
| Number of Buildings | 0 | 0 | 0 | 0 |
| Square Footage | 0 | 0 | 0 | 0 |
| Enrollment | 0 | 0 | 0 | 0 |
| Middle Schools * | | | | |
| Number of Buildings | 7 | 7 | 7 | 7 |
| Square Footage | 652,097 | 622,321 | 622,321 | 622,321 |
| Enrollment | 4,346 | 4,312 | 3,856 | 3,249 |
| Elementary Schools | | | | |
| Number of Buildings | 37 | 37 | 37 | 37 |
| Square Footage | 2,290,095 | 2,453,562 | 2,453,562 | 2,453,562 |
| Enrollment | 12,860 | 13,196 | 13,321 | 13,748 |
| Special Schools | | | | |
| Number of Buildings | 8 | 8 | 8 | 8 |
| Square Footage | 358,143 | 358,143 | 358,143 | 358,143 |
| Enrollment | 2,770 | 1,204 | 1,209 | 642 |
| 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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 7 | 7 | 7 | 7 | 7 | 7 |
| 1,798,771 | 1,798,771 | 1,798,771 | 1,798,771 | 1,798,771 | 1,798,771 |
| 6,889 | 6,187 | 5,783 | 5,712 | 6,058 | 5,952 |
| 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 |
| 42 | 42 | 42 | 42 | 42 | 42 |
| 2,530,620 | 2,530,620 | 2,530,620 | 2,530,620 | 2,530,620 | 2,530,620 |
| 15,685 | 14,691 | 14,872 | 14,996 | 14,960 | 15,089 |
| 8 | 8 | 8 | 8 | 8 | 8 |
| 358,143 | 358,143 | 358,143 | 358,143 | 358,143 | 358,143 |
| 600 | 600 | 600 | 600 | 600 | 577 |
| 79,354 | 79,354 | 79,354 | 79,354 | 122,862 | 122,862 |
| 10,950 | 10,950 | 10,950 | 10,590 | 10,950 | 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

| | 2008 | 2009 | 2010 | 2011 |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | |
| Instruction | | | | |
| Land and Improvements | \$21,221,762 | \$20,918,762 | \$20,918,761 | \$20,918,761 |
| Buildings and Improvements | 303,328,623 | 392,702,165 | 452,882,180 | 480,007,471 |
| Machinery and Equipment | 2,026,764 | 2,226,144 | 2,772,922 | 2,954,554 |
| Vehicles | 372,412 | 421,335 | 421,335 | 421,335 |
| Construction In Progress | 96,291,759 | 75,436,367 | 41,441,727 | 94,921,281 |
| Administration | | | | |
| Land and Improvements | 207,367 | 207,367 | 207,367 | 207,367 |
| Buildings and Improvements | 8,943,955 | 16,073,559 | 9,609,275 | 10,963,164 |
| Machinery and Equipment | 4,043,960 | 4,181,127 | 4,382,103 | 4,416,260 |
| Vehicles | 0 | 0 | 28,631 | 157,931 |
| 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 | 1,504,498 |
| Machinery and Equipment | 2,391,276 | 2,017,143 | 2,031,520 | 2,109,652 |
| Vehicles | 1,789,849 | 1,790,269 | 1,816,428 | 1,488,754 |
| 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 | 54,943 | 54,943 | 54,943 |
| Vehicles | 8,053,881 | 8,551,578 | 8,710,085 | 8,303,498 |
| 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 | 1,168,102 | 1,176,061 | 1,069,348 | 981,930 |
| 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

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$21,444,762 | \$21,444,762 | \$21,484,812 | \$21,588,880 | \$21,478,034 | \$21,478,034 |
| 590,026,000 | 612,986,614 | 616,457,334 | 623,266,182 | 622,277,716 | 622,277,716 |
| 3,245,394 | 3,571,105 | 4,128,195 | 3,748,327 | 8,996,315 | 10,734,487 |
| 465,344 | 522,526 | 522,526 | 372,411 | 891,887 | 1,250,539 |
| 10,865,779 | 339,735 | 0 | 0 | 0 | 0 |
| 207,367 | 207,367 | 207,367 | 207,367 | 208,853 | 208,853 |
| 10,963,164 | 10,963,164 | 10,963,164 | 10,963,164 | 11,041,736 | 11,041,736 |
| 4,482,758 | 4,482,758 | 4,482,758 | 5,011,068 | 4,514,886 | 4,514,886 |
| 157,931 | 157,931 | 157,931 | 0 | 159,063 | 159,063 |
| 411,952 | 411,952 | 411,952 | 411,952 | 414,904 | 414,904 |
| 1,504,498 | 1,504,498 | 1,504,498 | 1,504,498 | 1,515,281 | 1,515,281 |
| 2,109,652 | 2,109,652 | 2,109,652 | 2,420,467 | 2,124,772 | 2,124,772 |
| 1,143,127 | 1,476,022 | 1,476,022 | 1,452,013 | 1,486,601 | 1,486,601 |
| 58,422 | 58,422 | 58,422 | 58,422 | 58,841 | 58,841 |
| 207,077 | 207,077 | 207,077 | 207,077 | 208,561 | 208,561 |
| 54,943 | 54,943 | 54,943 | 54,943 | 55,337 | 55,337 |
| 8,561,106 | 8,933,772 | 8,988,924 | 10,580,116 | 10,321,508 | 10,321,508 |
| 127,175 | 127,175 | 127,715 | 127,715 | 128,630 | 128,630 |
| 4,046,820 | 4,046,820 | 4,046,820 | 3,014,175 | 4,075,823 | 4,075,823 |
| 981,930 | 981,930 | 981,930 | 1,055,912 | 988,967 | 988,967 |
| 140,221 | 140,221 | 140,221 | 140,221 | 141,226 | 141,226 |
| 3,199,910 | 3,199,910 | 3,199,910 | 2,507,710 | 3,222,844 | 3,222,844 |
| 284,226 | 284,226 | 284,226 | 357,100 | 286,263 | 286,263 |

Toledo Public School District

*Educational and Operating Statistics
Last Ten Years*

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------------|--------|--------|--------|--------|--------|
| Cost per Student (ODE) | | | | | |
| Toledo | 10,770 | 12,008 | 13,544 | 13,859 | 12,471 |
| Ohio (Average) | 9,939 | 10,184 | 10,512 | 10,571 | 10,508 |
| Attendance Rate | | | | | |
| Toledo | 95.20% | 94.90% | N/A | 94.70% | 94.30% |
| Ohio (Average) | 94.20% | 94.30% | 94.30% | 94.50% | 94.50% |
| Graduation Rate | | | | | |
| Toledo | N/A | N/A | N/A | 80.50% | N/A |
| Ohio (Average) | N/A | 84.60% | 84.60% | 84.30% | 81.30% |

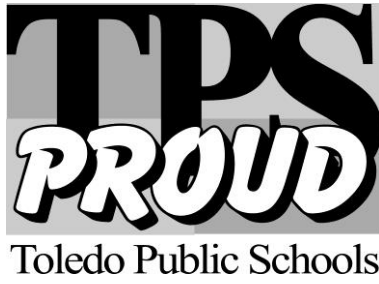
Source:

District's Student Records and Ohio Department of Education

N/A = Not available

Toledo Public School District

| 2013 | 2014 | 2015 | 2016 | 2017 |
|--------|--------|--------|--------|--------|
| N/A | N/A | N/A | N/A | N/A |
| 10,508 | N/A | N/A | N/A | N/A |
| N/A | 93.02% | 96.10% | 93.80% | 94.80% |
| 94.20% | 93.00% | 92.40% | 92.80% | 92.80% |
| N/A | 64.50% | 64.50% | 70.30% | 72.00% |
| 81.30% | 82.20% | 82.40% | 83.20% | 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 27, 2018