



Dave Yost • Auditor of State

TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	3
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	5
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	7
Schedule of Findings and Questioned Cost.....	11
Corrective Action Plan.....	27
Schedule of Prior Audit Findings.....	29

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL ENDED YEAR JUNE 30, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Federal CFDA Number	Receipts	Disbursements
<u>Program Title</u>			
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Fruit and Vegetable Program			
Fruit and Vegetable Program	10.582	\$ 30,657	\$ 30,657
<u>Child Nutrition Cluster:</u>			
School Breakfast Program			
School Breakfast Program (Non-Cash Assistance)	10.553	33,000	33,000
School Breakfast Program	10.553	1,580,144	1,580,144
<i>Total CFDA #10.553</i>		<u>1,613,144</u>	<u>1,613,144</u>
National School Lunch Program			
National School Lunch Program (Non-Cash Assistance)	10.555	131,999	131,999
National School Lunch Program	10.555	6,312,498	6,312,498
<i>Total CFDA #10.555</i>		<u>6,444,497</u>	<u>6,444,497</u>
<i>Total Child Nutrition Cluster</i>		<u>8,057,641</u>	<u>8,057,641</u>
<i>Total U.S. Department of Agriculture</i>		<u>8,088,298</u>	<u>8,088,298</u>
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
<u>Student Financial Assistance Cluster:</u>			
Federal Pell Grant Program	84.063		
LPN Pell Grant FY-11		72,501	72,501
LPN Pell Grant FY-12		564,117	564,117
<i>Total Federal Pell Grant Program</i>		<u>636,618</u>	<u>636,618</u>
Federal Family Education Loan Program:	84.268		
Adult Education FY-12		1,099,486	1,099,486
<i>Total U.S. Department of Education - Direct Programs</i>		<u>1,736,104</u>	<u>1,736,104</u>
<i>Passed Through Ohio Department of Education:</i>			
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027		
Special Education IDEA, Part B FY-11		295,670	543,271
Special Education IDEA, Part B FY12		6,607,421	6,607,426
<i>Total CFDA #84.027</i>		<u>6,903,091</u>	<u>7,150,697</u>
ARRA Special Education IDEA, Part B FY-11	84.391	166,232	775,716
<i>Total Special Education Grants to States</i>		<u>7,069,323</u>	<u>7,926,413</u>
Special Education Preschool Grants			
Preschool Grant FY-12	84.173	173,716	167,189
<i>Total Special Education Cluster</i>		7,243,039	8,093,602
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants			
ARRA Race to the Top FY-12	84.395	2,402,090	2,083,849
Title I Cluster:	84.010		
Title I Grants to Local Educational Agencies-FY 11		1,449,005	2,286,530
Title I Grants to Local Educational Agencies-FY 12		15,883,126	15,368,858
<i>Total CFDA #84.010</i>		<u>17,332,131</u>	<u>17,655,388</u>
ARRA Title I Grants to Local Educational Agencies-FY 11	84.389	1,595,669	1,608,280
<i>Total Title I Cluster</i>		<u>18,927,800</u>	<u>19,263,668</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL ENDED YEAR JUNE 30, 2012
(Continued)**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Federal CFDA Number	Receipts	Disbursements
<u>Program Title</u>			
Safe and Drug - Free Schools and Communities State Grants	84.186		
Safe and Drug Free Schools FY 12		8,167	12,014
Education for Homeless Children and Youth	84.196		
FY 11		10,163	1,206
FY 12		144,014	141,737
<i>Total Education for Homeless Children and Youth</i>		154,177	142,943
Teacher Incentive Fund	84.374		
Ohio Teacher Incentive Fund FY-12		804,267	790,924
ARRA State Fiscal Stabilization Fund	84.394		
ARRA FY 11			(1,308)
Improving Teacher Quality State Grants	84.367		
Improving Teacher Quality FY11		421,080	658,231
Improving Teacher Quality FY12		2,024,007	1,721,815
<i>Total Improving Teacher Quality State Grants</i>		2,445,087	2,380,046
English Language Acquisition Grants	84.365		
Limited English Grant FY 11		21,597	21,916
Limited English Grant FY 12		52,351	47,580
<i>Total English Language Acquisition Grants</i>		73,948	69,496
Reading First State Grants	84.357		
Reading First -Ohio FY10			13,777
ARRA McKinney Vento	84.387		
ARRA McKinney Vento FY11		95,878	106,101
Ed Jobs	84.410		
Ed Jobs FY 11		7,578,598	7,578,598
School Improvement Competitive	84.388		
School Improvement FY 12		4,496,213	4,211,392
Education Technology State Grants	84.318		
Technology, Title II-D FY11			5,693
Technology, Title II-D FY12		304,363	235,282
<i>Total Education Technology State Grants</i>		304,363	240,975
Readiness and Emergency Management System	84.687		
<i>Total U.S. Department of Education - Pass Through Programs</i>		50,647	
Total U.S. Department of Education		44,584,274	44,986,077
		46,320,378	46,722,181
Total Federal Awards Receipts and Expenditures		\$ 54,408,676	\$ 54,810,479

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Toledo City School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C - 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 D – FOOD DONATION PROGRAM

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

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

Toledo City School District
Lucas County
420 East Manhattan Blvd.
Toledo, Ohio 43608-1267

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 28, 2013. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness and other deficiencies we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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 timely corrected. We consider finding 2012-002 described in the accompanying schedule of findings and questioned costs to be a material weakness.

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. We consider findings 2012-003 and 2012-004 described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2012-001 and 2012-005.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 18, 2013.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

February 28, 2013



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Toledo City School District
Lucas County
420 East Manhattan Blvd.
Toledo, Ohio 43608-1267

To the Board of Education:

Compliance

We have audited the compliance of Toledo City School District, Lucas County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

As described in findings 2012-007 and 2012-009 through 2012-011 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding allowable costs/cost principles, and equipment and real property management applicable to its Child Nutrition Cluster, and allowable costs/cost principles, level of effort, and special tests and provisions – highly qualified teachers applicable to its Title I Cluster; and allowable costs/cost principles applicable to its Special Education Cluster, Improving Teacher Quality, ARRA Race to the Top, and School Improvement major federal programs. Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Toledo City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-006 through 2012-011 to be material weaknesses.

We also noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated March 18, 2013.

The District's responses to the findings we identified are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

Schedule of Federal Awards Receipts and Expenditures

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Toledo City School District (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated February 28, 2013. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to February 28, 2013. The accompanying schedule of federal awards receipts and expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

March 18, 2013

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TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified – CFDA # 84.410 Ed Jobs. Qualified – all other major programs
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 10.553, 10.555 Child Nutrition Cluster, CFDA # 84.027, 84.391, 84.173 Special Education Cluster, CFDA # 84.010, 84.389 Title I, CFDA # 84.410 Ed Jobs, CFDA # 84.367 Improving Teacher Quality, CFDA # 84.395 Race to the Top, CFDA # 84.388 School Improvement
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 1,682,730 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

FINDING NUMBER 2012-001

Expenditures Exceeding Appropriations

Noncompliance Citation

Ohio Revised Code, 5705.41(B), provides that no subdivision or tax authority is to expend money unless it has been appropriated.

The District's expenditures exceeded appropriations for the Adult Education Fund by \$724,922, the Miscellaneous Federal Grant Fund by \$119,085, Public School Preschool Fund by \$44,341, the Data Communication Fund by \$54,852, the Vocational Education Enhancement Fund by \$1,707, the Alternative Schools Fund by \$25,301, and the Drug Free Schools Grants Fund by \$7,100. Failure to properly monitor and compare appropriations and actual expenditures could lead to over spending and cause a deficit in the fund balance.

We recommend the District implement procedures to facilitate comparisons of budgeted expenditures to actual expenditures within in the accounting system and also implement procedures to assure compliance with budgetary laws.

Officials' Response:

Per the request of the Auditor of State to complete the Final Budget prior to year end rather than in the following year, as was the practice in previously audited years, the district had to project expenses to the end of the year. Errors were made while making those projections which resulted in under appropriated funds. In addition the District will research, within the financial software system, the pre-encumbrance and encumbrance features to ensure that Requisitions and Purchase Orders exceeding approved appropriations will not be approved.

FINDING NUMBER 2012-002

Budgetary Financial Statements

Material Weakness

Sound financial reporting is the responsibility of the District's management. We have identified the following exceptions when testing the Budgetary Financial Statements:

- Taxes and Other estimated receipts reported on the Certificate of Estimated Resources did not agree with the Budgetary Financial Statements for the following major funds and amounts:

Fund	Difference between original budgeted receipts and Budgetary Statements	Difference between final budgeted receipts and Budgetary Financial Statements
Debt Service	\$(1,849,557)	\$0
Locally Funded Initiative	47,466,057	47,610,028
Classroom Facilities	52,007,307	104,042,123

**FINDING NUMBER 2012-002
(Continued)**

- Appropriations from the Board approved Appropriations Resolutions did not agree with the Classroom Facilities Budgetary Financial Statement Final Budget in the amount of \$73,983,500 due to a board approved appropriation amendment on March 27, 2012 not being posted to the accounting system.

These conditions provide for inaccurate presentation of the Budgetary Financial Statement, lack of appropriate approvals for budgets and amendments to the budget, and inability of management to appropriately monitor the budget. The Budgetary Financial Statements have been adjusted to correct these errors.

To improve these conditions we recommend the following:

- The Amended Certificate of Estimated Resources or any amendments thereto, reflecting Board approved unencumbered balances and current year estimated receipts should be the source document for what is input into the accounting system and subsequently reported in the Budgetary Financial Statements;
- The Board approved Appropriations Resolution or any amendments thereto should be the source document for what is input into the accounting system and subsequently reported in the Budgetary Financial Statements; and
- Board approval of any of the aforementioned budgetary documents should be clearly expressed in a manner to be able to associate the Board approval or resolution with the document.

Officials' Response:

The Certificate of Estimated Resources is now linked to the appropriation measures approved by the Board, which ensure that the Certificate is in compliance as well as an accurate presentation of the Budgetary Statement.

FINDING NUMBER 2012-003

Capital Assets

Significant Deficiency

According to the District's policy:

- The District conducts a complete inventory every five years, by physical count, of all District-owned equipment and supplies;
- Each building and additions to buildings are identified by location or name and are described in detail (e.g., size, number of floors, square footage, type of construction, etc.) with the value shown for all individual structures;
- Fixed equipment is inventoried by building, floor and room name or number; each item is to be listed individually;
- Movable equipment is inventoried by building, floor and room name or number; each item is to be listed individually;

**FINDING NUMBER 2012-003
(Continued)**

- Any item that has a model number or serial number has that number noted in the description for full identification;
- All equipment purchased, after the initial inventory, as capital outlay or replacement with a cost of \$5,000 or more and with an estimated useful life of five years or more is tagged and made part of the equipment inventory.

We have identified the following:

- The District does not use Capital Asset software to maintain and update additions, deletions, and depreciation. Capital Assets are currently maintained and updated by the use of spreadsheets;
- The assets reported on the spreadsheets do not always have an assigned asset tag number, and do not always have an adequate description to enable location and observation of the asset, and the equipment assets in school buildings are not always tagged and not always traceable to the capital asset spreadsheets;
- Disposal forms are nonexistent and supporting documentation for the deletion of assets from the asset spreadsheets were incomplete, and buildings that have been razed still have values reported on asset spreadsheets.

These conditions provide for possible incomplete and inaccurate reporting of capital assets in the financial statements, possible inadequate insurance coverage, and a lack of control and accountability over the District's capital assets.

To correct the above conditions we recommend the District:

- Obtain and implement capital asset software;
- Review the fixed asset policy and consider revisions and inclusion of policy regarding the disposal of assets, transfer of assets, and depreciation;
- Complete asset tagging and provide adequate descriptions of assets; and
- Complete disposal forms for the disposal of assets with adequate documentation to support the disposal, and eliminate or transfer asset values reported in buildings that have been razed.

Officials' Response:

Formatting and implementation of fixed assets is underway in financial reporting software. The integration of fixed asset tracking into the financial software will facilitate compliance with Board policies, and increased accuracy with fixed asset tracking and reporting for both internal and external sources.

FINDING NUMBER 2012-004

Program Change Procedures

Significant Deficiency

Effective program change practices include the use of a standard form to document authorization of requests for programming changes. Changes should be tested in a test library and documentation should be kept with the change request form. Programmers should not have access to the production environment and a verification process should be in place to ensure the changes made are the changes moved into production.

Without proper change control procedures, changes made to application software could cause revenues and expenditures to be misstated on the financial statements. Without these controls there is an increased risk these changes could go undetected.

A standard request form should be implemented. It should include at a minimum:

- User requesting the change.
- Supervisor approval.
- Description of the change requested.
- Description of the changes made.
- Programmer who made the change.
- Test documentation.
- User approval of the changes made.
- Document and verify the change made is the change that is moved into production.

In addition, the District should maintain strict control over interim production program libraries. Changes to programs should be performed and tested within a test environment. Once a modified program has been approved for implementation, a person independent of the programming staff should transfer the program into interim production.

The District has implemented program change procedures. These procedures were implemented July 1, 2012 and were not in place during the audit period.

Officials' Response:

Computer Services will review procedures to document program changes. Continuing to implement new software will help to increase this control.

FINDING NUMBER 2012-005

Payroll Contracts

Noncompliance Citation

Article VII. of the Toledo Association of Administrative Personnel Contract, Article VI. of the Toledo Federation of Teachers Contract, and Article IX. of the Toledo Federation of Teachers Contract require District employees to be issued a contract. An employee must have a contract to show the correct rate of pay approved by the District's board and to show valid employees.

Signed contracts were not returned and obtained by the District for all employees who are part of the above noted union contract.

Absence of a signed contract hinders the ability to determine the individual is a valid employee of the District. Failure to maintain employee contracts could result in the improper salary rate being paid to employees.

We recommend the District issue and collect contracts for all employees to ensure that the employees are being paid the approved rate of pay. We also recommend a copy of the valid employee contract be maintained in the employee personnel file.

Officials' Response:

A collaborative effort between the Human Resource and Payroll Departments will be made to increase the rate of compliance with regard to signed contracts.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Child Nutrition/School Improvement Non-Payroll Disbursements

Finding Number	2012-006
CFDA Title and Number	Child Nutrition Cluster – CFDA # 10.553/10.555 and School Improvement CFDA # 84.388
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Agriculture/ U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Material Weakness

Child Nutrition Federal Program and School Improvement requirements indicate that an expenditure must be both an allowable activity as defined by the grant and an allowable cost as defined by 2 CFR, Part 225.

The District has not established formal policies and procedures to ensure each expenditure, based upon the vendor invoice, meets allowable activity and cost requirements of the Child Nutrition and School Improvement grants. As a result, most of the expenditures tested (73 percent) for the Child Nutrition Cluster were not approved by the Director of Food Service as to allowable activity. Also, as a result, 12 percent of expenditures tested for the School Improvement Grant tested were not approved by the Director of School Improvement. In addition, there was no evidence that any of the transactions selected for testing were reviewed and approved as to allowable cost.

**FINDING NUMBER 2012-005
 (Continued)**

Failure to ensure proper controls exist over allowable activities and allowable cost could result in the District expending monies that do not comply with grant requirements which could result in reductions in future funding.

We recommend the District establish written policies that identify who is responsible for reviewing Child Nutrition and School Improvement program disbursements for allowable activities and costs and how this review is to be documented. This review should be performed after an invoice is received from a vendor, but prior to payment.

Officials' Response:

Toledo Public Schools will implement controls and procedures with the Director of Food Service over child nutrition and other programs to ensure expenses allocated are allowable.

Federal Equipment Listing

Finding Number	2012-007
CFDA Title and Number	Child Nutrition Cluster – CFDA # 10.553/10.555
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Noncompliance Citation/Material Weakness

Part 7 CFR 3015.160 through .175 provides that:

- Title to equipment acquired by a non-Federal entity with Federal awards vests with the non-Federal entity. (7 CFR 3015.62)
- Equipment should be used in the program which acquired it or, when appropriate, other Federal programs. (7 CFR 3015.166)
- Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. (7 CFR 3015.169)
- When equipment with a current per unit fair market value in excess of \$1,000 (the A-102 Common Rule amount is \$5,000) is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate (percent of Federal participation in the cost of the original project) amount of the current fair market value. (7 CFR 3015.168)
- Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return. (7 CFR 3015.169)

The District did not maintain the required federal equipment listing. Control systems to safeguard equipment have not been established, and disposal procedures have not been established.

**FINDING NUMBER 2012-007
(Continued)**

These conditions provide for possible misappropriations of assets purchased with federal funding, and the possibility of jeopardizing future federal funding.

To correct the above conditions, we recommend the District:

- Maintain records for equipment purchased with Federal funds, which should include the following information:
 - A description of the equipment
 - Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number
 - Source of the equipment, including the award number
 - Whether the title vests in the recipient or the Federal Government
 - Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost
 - Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government)
 - Location and condition of the equipment and the date the information was reported
 - Unit acquisition cost compensates the Federal awarding agency for its share
- Perform physical inventory at least once every two years and reconcile the inventory count to equipment records.
- Establish an appropriate control system to safeguard equipment.
- Implement disposal procedures to ensure compliance with federal regulations. Disposition data should include date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

Officials' Response:

Physical inventory was performed in May 2012. Formatting and implementation of fixed assets is underway in financial reporting software. The integration of fixed asset tracking into the financial software will facilitate compliance with Board policies, and increased accuracy with fixed asset tracking and reporting for both internal and external sources.

Child Nutrition Program Income

Finding Number	2012-008
CFDA Title and Number	Child Nutrition Cluster – CFDA # 10.553/10.555
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Material Weakness

The District collects money from students for breakfast meals, lunch meals, and ala cart items. Students may pay daily for meals, may pay in advance for multiple meals, or may charge all or part of a meal to be paid in the future.

The District has not implemented any controls over program income to ensure that the correct rates are charged to students related to the food service program. For 76 percent of transactions tested, the District did not maintain written support to identify what products were sold and the amount collected for each item. As such, it was impossible to determine that students were charged the correct rate in accordance with the pricing list.

Failure to document products sold and receipts collected could result in theft of District assets or charging students incorrectly for products.

We recommend the District establish policies and procedures to ensure all receipts collected are supported as to products sold and amounts collected.

Officials' Response:

Toledo Public Schools is developing and will implement a system to accurately record student food purchases.

Federal Payroll Disbursements

Finding Number	2012-009
CFDA Title and Number	Various
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Questioned Cost/Noncompliance/Material Weakness

2CFR, Part 225 requires employees who work on multiple activities or cost objectives, to support the distribution of their salaries or wages with personnel activity reports or equivalent documentation which meets the standards unless a statistical sampling system or other substitute system has been approved by the cognizant Federal agency. Employees whose compensation is allocated solely to a single cost objective must furnish semiannual certificates that he/she has been engaged solely in activities supportive of the cost objectives.

**FINDING NUMBER 2012-009
 (Continued)**

The District charged Federal grant programs for payroll and benefits expenditures that were either unsupported by personnel activity reports required or did not match activities documented on personnel activity reports provided.

The following conditions exist over the Districts documentation of personnel activity;

- Employees working on multiple activities or cost objectives did not always complete time and effort forms (i.e. monthly personnel activity reports) or semi-annual certifications indicating that the employee has worked on a single cost objective throughout the semi-annual period;
- Personnel activity as documented by employees on time and effort forms or semi-annual certifications did not always match amounts charged to grants;
- One of the semi-annual certifications tested was not signed by the employee or the employee's supervisor (appropriate personnel that is familiar with first-hand knowledge supporting that wages paid meets allowable activity and cost permitted by the grant).

Based on non-compliance identified above, we are questioning the following grant expenditures:

Program	CFDA	Amount
Child Nutrition	10.553/10.555	\$ 50,807
Title 1	84.010	14,893
Title 1 School Improvement ARRA FY 11	84.389	22,688
Race to the Top	84.395A	16,862
Title VI-B Special Education IDEA, Part B FY 12	84.027	2,050
School Improvement Competitive	84.388	9,484
Improving Teacher Quality FY 12	84.367	1,813
Ohio Teacher Incentive Fund	84.375	5,600
Total		\$ 124,197

Failure to establish and monitor controls over personnel activity reports could result in the District inappropriately charging federal grants for work not performed. This could result in reduced grant funding in the future.

We recommend the District perform the following procedures:

- Review federal guidelines that identify requirements for documenting personnel activity;
- Establish and implement procedures to ensure Federal payroll expenditures are supported as required by 2 CFR, Part 225;

**FINDING NUMBER 2012-009
 (Continued)**

- Establish procedures to monitor the completion and accuracy of personnel activity documentation to ensure each charge to a Federal Grant is properly supported, and consider who the appropriate personnel to sign the form should be. The personnel who signs the form attesting to accuracy should have first-hand knowledge supporting that wages paid meets allowable activity and costs permitted by the grant;
- The District should reconcile, not less than quarterly, amounts budgeted for each employee to a federal grant to actual time spent on the federal grant. Any differences should be posted to the accounting system.

Officials' Response:

Toledo Public Schools has reviewed Circular A-87 and has implemented a new time and effort procedure as of second semester FY12 based on the FY11 audit findings. We will continue to review the process and work with other departments to ensure the validity of the time and effort forms.

Title I Highly Qualified Teachers

Finding Number	2012-010
CFDA Title and Number	Title I – CFDA # 84.010/84.389
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Questioned Cost/Noncompliance/Material Weakness

34 CFR Section 200.56 requires that an LEA has to ensure that any teacher whom it hired to teach a core academic subject and who worked in a program supported with Title I, Part A funds was highly qualified. This requirement applied to teachers in Title I targeted assistance programs who taught a core academic subject and were paid with Title I, Part A funds and to all teachers who taught a core academic subject in a Title I schoolwide program school. "Core academic subjects" means English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

The District requires teachers to submit Highly Qualified Teacher Status forms that identify the criteria the teacher has met to be considered Highly Qualified. Upon receipt of the Highly Qualified Teacher Status form, the District date stamps the form and updates a spreadsheet with the related highly qualified teacher information. The Human Resources technician that updates the spreadsheet initials the data that was updated.

The District charged Federal grant programs for payroll and benefits expenditures that were either unsupported by Highly Qualified Teacher Status forms, or supporting documentation which evidences that the submitted form was complete and accurate.

The following conditions exist over the District's documentation of Highly Qualified Teacher Status;

- Forms were not always complete identifying that the teacher meets Highly Qualified Teacher criteria;

**FINDING NUMBER 2012-010
 (Continued)**

- Upon receipt of Highly Qualified Teacher Status forms, the forms were not always date stamped for receipt;
- The spreadsheet maintained by the District to monitor Highly Qualified Teacher status was not initialed for updating;
- Supporting Documentation was not maintained evidencing that the teacher met the Highly Qualified Teacher criteria.

Based on non-compliance identified above, we are questioning the following grant expenditures:

Program	CFDA	Amount
TITLE I - FY-12	84.010	\$ 350,009
TITLE I - TARGETED ASSISTANCE FY-11	84.010	79,833
Total		\$ 429,842

Failure to establish and monitor controls over Highly Qualified Teacher status could result in the District inappropriately charging federal grants for teachers who are not qualified. This could result in reduced grant funding in the future.

We recommend the District perform the following procedures:

- The District should implement procedures to assure the timely return of Highly Qualified Teacher Status forms and supporting documentation that evidences the Highly Qualified criteria has been met;
- District personnel should date stamp Highly Qualified Teacher Status forms upon receipt;
- District personnel should update the Highly Qualified status spreadsheet and initial as such indicating accuracy and completeness of the Highly Qualified Teacher Status form and completeness of supporting documentation that evidences the Highly Qualified Teacher criteria has been met;
- There should be supervisory review to monitor that procedures are being performed as intended should occur occasionally throughout the year.

Officials' Response:

Toledo Public Schools will re-instate process to track information related to Highly Qualified Teachers, and ensure the supporting paperwork is collected.

Level of Effort – School Attendance

Finding Number	2012-011
CFDA Title and Number	Title I – CFDA # 84.010/84.389
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Noncompliance/Material Weakness

Title I, Sections 1116(a) and (b)(1), (7), and (8) of the Elementary and Secondary Education Act (ESEA) (20 USC 6316(a) and (b)(1), (7), and (8)) and 34 CFR sections 200.30 through 200.34 require school districts to annually review the progress of each school served under Title I, Part A to determine whether the school has made adequate yearly progress (AYP). Every school and district must meet AYP goals that the ODE Accountability Model (approved by USDOE) has established for reading and mathematics proficiency and test participation, attendance rate and graduation rate. AYP determinations for districts and schools are based on test participation and proficiency rate goals. These goals are evaluated for the student groups when the minimum subgroup size has been met. AYP graduation and attendance goals are evaluated for the “All Students” group only. Failure to meet any of the proficiency or participation goals, attendance levels or graduation targets results in the district or school not meeting AYP. This is commonly referred to as a maintenance of effort requirement.

Title I, Sections 1111(h)(2) and 1116(a)(1)(C) of ESEA (20 USC 6311(h)(2) and 6316(a)(1)(C)) and 34 CFR sections 200.36 through 200.38 also require each school district that receives Title I, Part A funds prepare and disseminate to all schools in the district—and to all parents of students attending those schools—an annual district-wide report card that, among other things, includes the number, names, and percentage of schools identified for school improvement and how long the schools have been so identified.

Under the No Child Left Behind (NCLB) model, a school’s report card specifies its performance as compared to other schools in Ohio. Specifically, the NCLB school report card displays student achievement data in reading, mathematics, science and other core subjects required by the state so that parents and the public can see how their schools are progressing over time. In addition, the report card includes information on student attendance rates and graduation rates.

A school’s performance on the report card can be affected by the students counted in the scoring. If the scores of low-performing students can be excluded from a particular school’s report card, the overall performance of that school shows a corresponding improvement.

Under NCLB, there are several allowable ways student test scores can be excluded from an individual school’s report card and pushed to the school district wide or state report card as described in ODE’s “Where Kids Count” (WKC) Methodology. Breaks in enrollment result in student test scores being pushed to the statewide composite report card. In this scenario, the local report card includes only students enrolled for the FAY. A student must be enrolled continuously at a single school from the end of October count week to May 10th for grades 3-8 or March 19th for all other grades to qualify for the full academic year of attendance. When a lawful break in enrollment occurs, school districts push the student’s test scores to the State’s report card. Schools break enrollment by withdrawing or enrolling students between October count week and the end of the academic school year.

**FINDING NUMBER 2012-011
(Continued)**

The concept of due process prior to withdrawal of truant students is further emphasized by the NLCB Act and IDEA. The NCLB Act requires every Title I eligible child be served under the program. Withdrawing students prior to receiving due process inaccurately inflates the school's AYP report card rating, which results in an understatement of Title I allocations to the eligible buildings within a school district.

The process of creating breaks in enrollment entails admitting or withdrawing students after the official October Average Daily Membership (ADM) count week. Valid reasons to create a "break" in enrollment are established pursuant to Chapter 2 of the 2011 ODE EMIS Manual. One of the more common reasons is the student withdrew due to truancy/nonattendance.

Ohio Rev. Code Section 3321.19 defines truancy and empowers Ohio school governing boards to adopt their own policies for intervention and withdrawal of students. If a parent, guardian, or other custodian of a habitual truant fails to cause the child's attendance at school, the board of education may proceed with an intervention strategy in accordance with its adopted policy, may initiate delinquency proceedings, or both. Each board is required under Ohio Rev. Code Section 3321.191 to adopt a policy to guide employees in addressing and ameliorating the habitual truancy of students.

With regard to truancy, schools are permitted to withdraw students only after appropriate due process. The statutes provide several procedural steps which schools must follow in dealing with violations of the compulsory attendance laws.

We obtained the ODE Education Management Information System (EMIS) information on student attendance and reviewed breaks in enrollment during fiscal year 2011 which cause student test scores to be pushed to the statewide composite report card.

The Auditor of State (AOS) reviewed a total of nine schools in Toledo City School District, completing testing procedures over a total of 884 students rolled up to the State report card for the 2011 fiscal year and the results are as follows:

- 470 students were withdrawn due to truancy/nonattendance under code 71 without proper due process, including parental notification and court adjudication.
- 417 students did not appear to meet the 5/20 rule.
- 143 other exceptions were related to lack of appropriate support for the noted attendance event, including 78 students for which no files could be provided by the district.
- Of the 616 total exceptions noted, 488 were related to students who had scores below 400 on at least one section of the statewide Ohio Achievement Assessments or Ohio Graduation Tests.

We also noted that Toledo City School District (CSD) explained its practice of removing students with five consecutive days of unexcused absences and a total of 20 unexcused absences throughout the school year. Toledo CSD has been using the "5/20" rule for withdrawing students since 2001. However, until 2005, Toledo CSD actively removed these students throughout the school year. In 2005, Toledo CSD lost several high-level administrators to Cleveland Municipal City School District. Toledo CSD subsequently hired new administrators and in 2006 the local report card ratings fell since the "5/20" rule for withdrawing students was no longer in place. After realizing lower report card rankings, Toledo CSD administrators decided to reinstitute the "5/20" rule for withdrawing students in the following school year. However, instead of withdrawing students throughout the school year, Toledo CSD waited until after they received the first report from the Secure Data Center from ODE during the reporting period projecting the District's report card rankings. Toledo CSD informed the AOS that they removed all students that met the 5/20 criteria, regardless of assessment test score results for the affected students.

**FINDING NUMBER 2012-011
(Continued)**

We recommend the District establish formal procedures requiring completion and maintenance of enrollment forms, withdrawal forms, and appropriate documentation supporting attendance events. The procedures should include training of its administrators on the procedures to be performed as well as follow up reviews by management to ensure the procedures are being followed. The District should also file a complaint in juvenile court if the child is an unruly child for being an habitual truant or is a delinquent child for being an habitual truant who previously has been adjudicated an unruly child for being an habitual truant and that the parent, guardian, or other person having care of the child has violated section 3321.38 of the Revised Code.

Officials' Response:

The activities leading to this finding were stopped in June 2012.

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2012**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2012-006	Toledo Public Schools will establish and maintain equipment records for Child Nutrition program	6/30/2013	R. Debroas/ J. Gant
2012-007	Toledo Public Schools will implement a system to accurately record student food purchases. A POS system has been implemented in some facilities.	Continuous	R. Debroas/ J. Gant
2012-008	Toledo Public Schools has reviewed Circular A-87 and has implemented a new time and effort procedure as of second semester FY12 based on the FY11 audit findings. We will continue to review the process and work with other departments to ensure the validity of the time and effort forms.	6/30/2013	M. Cleland
2012-009	Toledo Public Schools will re-instate the process to track information related to Highly Qualified Teachers, and ensure the supporting paperwork is collected.	6/30/2013	C. Spieldenner
2012-010	A collaborative effort between the Human Resource and Payroll Departments will be made to increase the rate of compliance with regard to signed contracts.	6/30/2013	S. Shasteen/ C. Spieldenner
2012-011	The activities leading to this finding were stopped in June 2012.	6/30/2013	J. Pecko/J. Gault

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

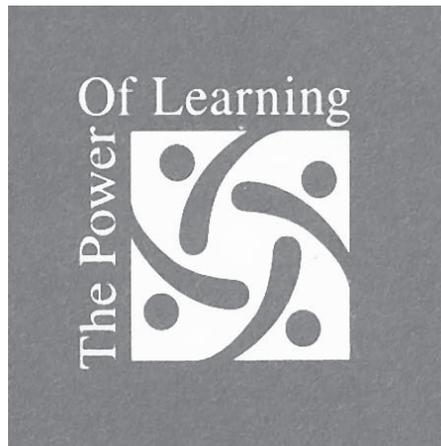
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	District did not obtain proper Certification	Yes	
2011-002	Severance Overpayment	Yes	
2011-003	Signed payroll Contracts did not exist for all employees	No	Re-issued as Finding 2012-005
2011-004	Non-payroll Disbursements not properly approved	Yes	
2011-005	Grants Receivable were not properly reported on the financial statements	Yes	
2011-006	Budgetary Financial Statements were not properly completed	No	Re-issued as Finding 2012-002
2011-007	District did not follow Capital Assets Policy	No	Re-issued as Finding 2012-003
2011-008	Program Change Procedures not implements	No	Re-issued as Finding 2012-004
2011-009	District did not properly record accrued wages and compensated absences	Yes	
2011-010	Federal Payroll Disbursements not supported by 2 CFR, Part 225	No	Re-issued as Finding 2012-009
2011-011	District did not maintain a federal equipment listing	No	Re-issued as Finding 2012-007
2011-012	District not in compliance with Teacher Incentive Fund Cash Management	Yes	
2011-013	District not in compliance with Title I Suspension and Debarment	Yes	

Toledo City School District
 Lucas County
 Schedule of Prior Audit Findings and Questioned Costs
 Page 2

2011-014	District not in compliance with Title I Final Expenditure Report	Yes	
2011-015	District not in compliance with Child Nutrition Eligibility	Yes	
2011-016	District not in compliance with Federal Program Payroll Disbursements	No	Re-issued as Finding 2012-009
2011-017	District not in compliance with Child Nutrition Non-Payroll Disbursements	No	Re-issued as Finding 2012-006
2011-017	District not in compliance with Child Nutrition Program Income	No	Re-issued as Finding 2012-008

Lucas County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2012



Lucas County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

Prepared by:
Mr. Matthew J. Cleland, Treasurer



TABLE OF CONTENTS

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

I INTRODUCTORY SECTION

A Letter of Transmittalv
B Members of the Board of Education, Superintendent and Treasurerxiii
C Management Teamxiv
D School District Organizational Chartxv
E Treasurer’s Division Organizational Chartxvi
F Certificate of Achievement (GFOA)xvii
G Certificate of Excellence (ASBO)..... xviii

II FINANCIAL SECTION

A Report of Independent Accountants1
B Management’s Discussion and Analysis.....3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets.....12
 Statement of Activities13
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet14
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities.....16
 Statement of Revenues, Expenditures and Changes in Fund Balances18
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities20
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund22
 Proprietary Funds:
 Statement of Net Assets.....24
 Statement of Revenues, Expenses and Changes in Fund Net Assets25
 Statement of Cash Flows26
 Fiduciary Funds:
 Statement of Net Assets.....27
 Statement of Changes in Net Assets.....28
Notes to the Basic Financial Statements.....29

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds Statements:

Combining Balance Sheet – Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	67
Combining Balance Sheet – Nonmajor Special Revenue Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	74

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

Major Governmental Funds:

<i>General Fund</i>	80
<i>Debt Service Fund</i>	81

Capital Projects Funds:

Locally Funded Initiative Fund	82
Classroom Facilities Fund.....	83

Nonmajor Governmental Funds:

Special Revenue Funds:

Food Service Fund	84
Uniform School Supplies Fund	85
Vocational Rotary Fund	86
Adult Education Fund	87
School Building Support Fund	88
Other Grants Fund	89
School Facilities Maintenance Fund	90
Administratively Managed Student Activity Fund.....	91
Auxiliary Services Program Fund	92
Management Information System Fund	93
Public School Preschool Fund.....	94
Data Communication Fund	95

Special Revenue Funds (Continued):

Vocational Education Enhancement Fund	96
Alternative Schools Fund	97
Miscellaneous State Fund.....	98
Education Jobs.....	99
Race to the Top Fund	100
Special Education Handicapped Fund.....	101
Vocational Education Fund	102
Title VII Bilingual Education Program Fund	103
Title I Fund.....	104
Drug Free Schools Grants Fund	105
Preschool Grants for the Handicapped Fund.....	106
Improving Teacher Quality Fund	107
Miscellaneous Federal Grants Fund	108
Educational Research and Development Fund.....	109
Title I School Improvement Stimulus A Fund	110
Title I School Improvement Stimulus G Fund	111

Capital Projects Funds:

Permanent Improvement Fund	112
----------------------------------	-----

Permanent Fund:

Endowments Fund.....	113
----------------------	-----

Internal Service Funds:

Combining Statement of Net Assets	116
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	118
Combining Statement of Cash Flows	120

Fiduciary Funds – Agency Fund:

Combining Statement of Changes in Assets and Liabilities	123
--	-----

III

STATISTICAL SECTION

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

INTRODUCTORY SECTION



*Letter of Transmittal
For the Fiscal Year Ended June 30, 2012*



TOLEDO CITY SCHOOL DISTRICT

**Thurgood Marshall Building • 420 East Manhattan Blvd.
Toledo, Ohio 43608**

Treasurer's Office: phone (419) 671-8370

fax (419)-671-8474

February 28, 2013

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, 2012, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

As of October 2012, the School District had 22,397 students (compared to 23,315 as of October 2011) enrolled in its 41 K-8 schools, 8 senior high schools and 7 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 18:1.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2012

The District employs (full- and part-time) 1,950 professional staff members and 1,176 nonteaching and support staff employees. Approximately 57% of the members of the teaching staff have master's degrees, and .5% have doctorates. The District's faculty has an average of 17.4 years' teaching experience, compared to the statewide average of 15.0 (as of Fiscal Year 2011). The District also operates a central office facility, a maintenance center, a central kitchen, a warehouse and a transportation depot.

For fiscal year 2012, the District has 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. Two assistant superintendents 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 gyms 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, 2012

Lucas County is the home of the Toledo Mud Hens and operates the 10,000 seat Fifth Third Field Stadium, in the Warehouse District. The Mud Hens, a Triple A baseball team, is in the Detroit Tigers farm system. More than 550,900 people attended a Hens game in the 2012 season. A total of 33 games were sell-outs.

Lucas County's Huntington Center is a multi-purpose arena in downtown Toledo. The arena is located one block from Fifth Third Field and had 225,608 people in attendance in 2012.

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.

Like many areas of the Country, the local economy has seen a significant down turn in revenues; however, the future economic outlook for the area remains positive. City of Toledo officials have enacted budget reductions, are continuing to monitor spending, and have taken steps to control the size and structure of the City's workforce. The City continues to trim support costs and eliminate expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with projected revenues.

While the economy is still sluggish there were economic gains in 2011/12. Penn National Gaming, Inc. completed construction on the \$250 million "Hollywood Casino Toledo" on a remediated brownfield site in the City of Toledo, as authorized by an amendment to the Ohio Constitution approved by the voters on November 3, 2009. The Casino opened May 29, 2012.

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

Dr. Jerome Pecko became the 29th Superintendent for Toledo Public Schools on August 1, 2010. A veteran educator, Dr. Pecko has an extensive background in the field of education, including serving as the Superintendent of the Barberton City Schools and the Springfield Local Schools in Summit County, Ohio.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2012

In February 2011, District leaders introduced a transformation plan, to be implemented in July, that was designed to "right size" the District and ensure efficiencies and effectiveness in the classroom and in overall operations. Attributes of the plan range from establishing K-8 neighborhood schools across the District, to distance learning labs in each comprehensive high school, to offering seventh and eighth grade students the opportunity to take high school courses, to web-based credit recovery programs for students looking to finish high school. The District also secured federal funds to provide additional support and interventions to students attending underperforming schools.

Toledo Public Schools received the ranking of Academic Watch on the 2011-12 State of Ohio Annual Report Card. Further review of the report showed that 35 schools were rated as Continuous Improvement or higher, with five reaching the status of Excellent, including two of the District's elementary schools and three high schools.

The report also indicated that 35.1 percent of TPS students are performing at proficient levels, with another 16.2 percent rated as accelerated. In addition, 15 schools met Adequate Yearly Progress, a federally required measure that focuses on each school and the district as a whole regarding established goals in the areas of reading and math proficiency, test participation, attendance and graduation rate. The State report also indicated that TPS recorded a student attendance rate of 94.3percent, which was one of the highest among other large urban Districts.

The new Woodward High School welcomed students for the 2011-12 school year. Through the Building for Success Program 42, new state-of-the-art learning centers are open across the District. These new schools offer students the latest in technology and many energy efficient amenities. Toledo voters approved the original bond issue for this historic building project in 2002. The project is scheduled for completion in mid-2012.

MAJOR INITIATIVES FOR THE FUTURE

Although not a new initiative, the District continues to be fully engaged in major school building and renovation projects. The massive size of the project will be most challenging for all District personnel, specifically the Business Office and the Treasurer's Office.

In December of 2012, Evergreen Solutions was awarded a contract to conduct a performance audit of the districts operations. The audit is intended to identify potential efficiencies and cost savings but will also make commendations on existing programs that operate efficiently and effectively. The audit is currently ongoing and a report is expected in April of 2013.

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.

Revenue Sharing Agreements between the City of Toledo, Toledo City School District and abated companies provide 67.5% of taxes foregone back to the District in the form of "Payments in Lieu of Taxes". Since the inception of Revenue Sharing Agreements, "Contributions in Lieu of Taxes", totaled over \$13,631,685. Currently there are 19 companies actively participating in the tax abatement program. 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 Enterprise Zones. It is hoped that the success of these Tax

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2012

As of June 30, 2012, the Toledo City School District has underlying debt ratings of A- from Fitch Ratings, A1 from Moody's Investment Service and A+ from Standard and Poor's. Financial information was provided to all external-rating agencies resulting in the District maintaining the above-mentioned ratings. Financial information was also furnished to the Ohio Municipal Advisory Council (OMAC), which has applied for and received the designation of being the State Information Depository (SID) for the State of Ohio. The establishment of SID provides the State with more uniform central distribution of financial information to debt holders and potential bidders of debt for the Toledo City School District.

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

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

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

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.

The Superintendent, Treasurer and Business Manager began implementing a major initiative during fiscal year 2009-10. New software programs for all facets of the District which included Financial, Payroll, Human Resources and Student Data were to be implemented. The financial software was implemented July 1, 2010. Payroll and Human Resources departments' implementation was initiated but not yet completed. The Student Data portion was implemented in fiscal year 2010. Implementation and expansion of this initiative remains and will continue to remain a major focus to create additional efficiency.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2012

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

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

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.

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, 2012

BUDGETARY CONTROLS -- All governmental fund types are subject to annual expenditure budgets. 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.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. The Ohio State Auditor's Office conducted the audit for the Fiscal Year ended June 30, 2012. 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, 2011. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2012

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-three years (1989-2011). 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, 2011. 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 fifteenth 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.

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 Eric Shreve, 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,



Jerome Pecko, Ed. D.
Superintendent and CEO



Matthew J Cleland
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, 2012

Members of the Board of Education

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

	Began Service as a Board Member	Present Term Expires
Lisa Sobecki, President	01/01/2007	12/31/2015
Brenda Hill, Vice President	Appointed 2009	12/31/2013
Dr. Cecelia Adams, Member	01/01/2012	12/31/2015
Larry Sykes, Member	01/01/2010	12/31/2013
Bob Vasquez, Member	Appointed 2008	12/31/2013

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. On August 1, 2010 Dr. Jerome Pecko was appointed as the 29th Superintendent of Toledo Public Schools with his term of contract expiring July 31, 2013.

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. Matthew J. Cleland was named District Treasurer on February 28, 2012 with his contract expiring July 31, 2014.

TOLEDO CITY SCHOOL DISTRICT

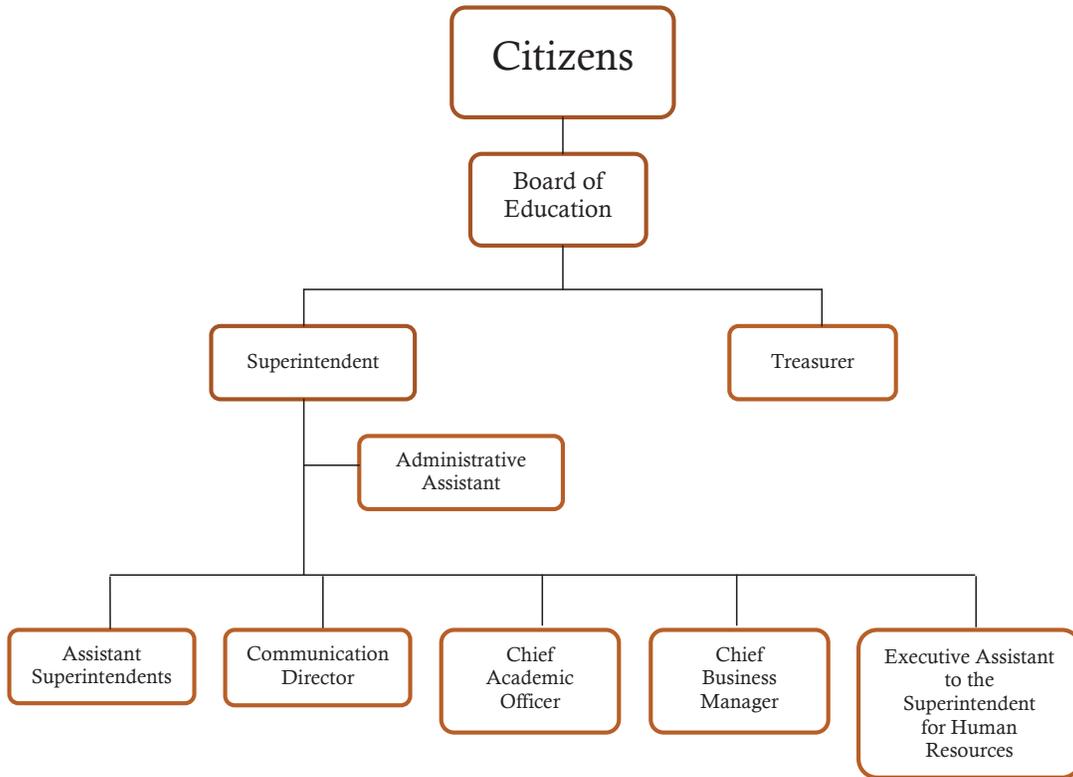
***School District Organizational Chart
For the Fiscal Year Ended June, 30, 2012***

Management Team Members

Dr. Jerome Pecko	Superintendent
Matthew J. Cleland	Treasurer of the Board
James E. Gault	Chief Academic Officer
Cheryl Spieldenner	Chief Human Resources Officer
Angela Jordan	Assistant to the Superintendent
James Gant	Chief Business Manager
Brian Murphy	Assistant Superintendent
Dr. Romulus Durant	Assistant Superintendent

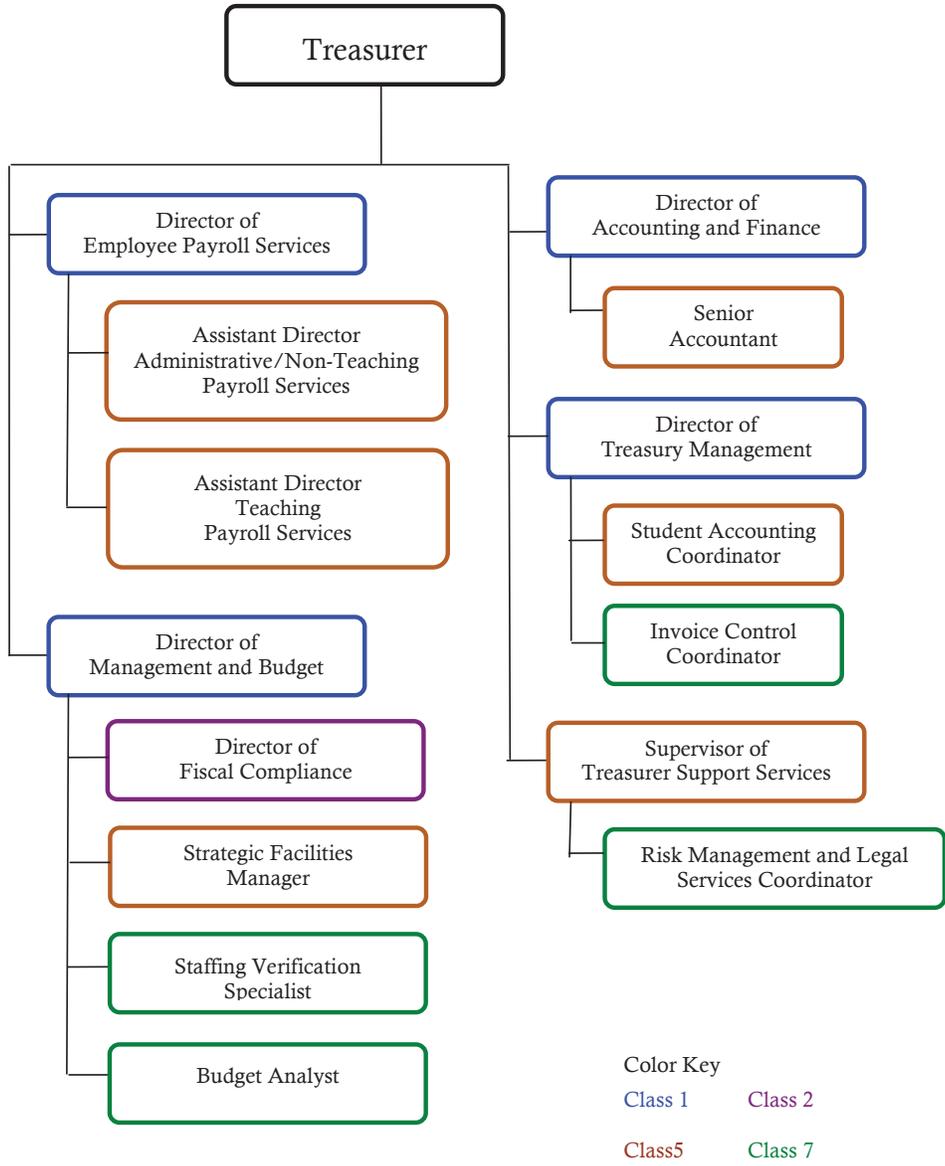
TOLEDO CITY SCHOOL DISTRICT

**School District Organizational Chart
For the Fiscal Year Ended June, 30, 2012**



TOLEDO CITY SCHOOL DISTRICT

**Treasurer's Division Organizational Chart
For the Fiscal Year Ended June, 30, 2012**



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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morill

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



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

Toledo City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



Brian L. Mee

Brian L. Mee, SFO, RSBA
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Toledo City School District
Lucas County
420 East Manhattan Blvd.
Toledo, Ohio 43608-1267

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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 Toledo City School District, Lucas County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

February 28, 2013

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

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, 2012. 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 2012 are as follows:

- ❑ General revenues accounted for \$316,373,584 in revenue or 81.4% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$72,211,292 or 18.6% of total revenues of \$388,584,876. The District continues to see a reduction in State of Ohio financial assistance as a result of the phase out of personal property reimbursement, the BRIDGE formula per pupil reduction and enrollment decline. Also, tax revenues declined due to home foreclosures and reductions in valuation.
- ❑ The District had \$376,617,161 in expenses related to governmental activities; only \$72,211,292 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$84,538,443 and unrestricted state and federal revenues totaling \$231,488,421, plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ The assets of the District exceeded its liabilities at June 30, 2012 by \$520,706,835 (net assets). The District's total net assets increased by \$11,967,715 in fiscal year 2012. The major portion of this increase was the result of the addition of capital assets to the District funded by State monies that came in during 2012 coupled with the Districts efforts to decrease expenditures across the board from 2011 to 2012.
- ❑ Among major funds, the general fund had \$311,545,802 in revenue, \$300,927,330 in expenditures and (\$977,109) in transfers out, resulting in the general fund balance increasing by \$9,641,363 to (\$1,163,953). This increase is attributable to cuts in expenditures for instructional and supporting services along with decreased transfers out of monies to other funds during 2012.

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.

TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012***

Unaudited

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 accounting similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets 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 educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

TOLEDO CITY SCHOOL DISTRICT

**Management’s Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

Unaudited

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 Assets and the Statement of Activities.

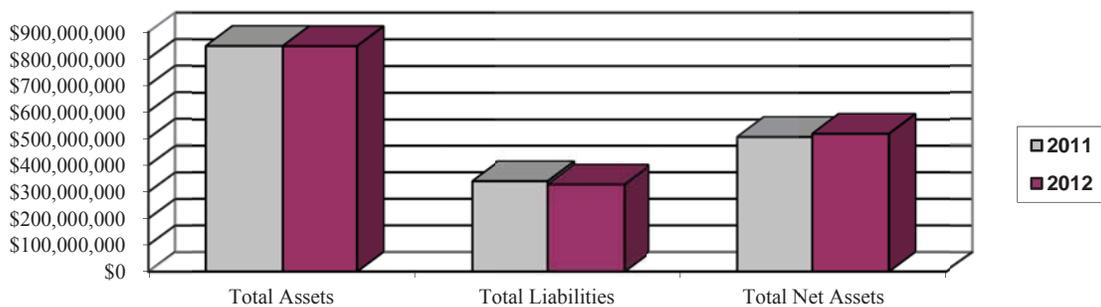
Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. 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 assets for 2012 compared to 2011:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Current and other assets	\$293,849,496	\$326,884,583	(\$33,035,087)
Capital assets, Net	554,905,656	522,339,028	32,566,628
Total assets	848,755,152	849,223,611	(468,459)
Long-term debt outstanding	189,083,534	206,808,792	(17,725,258)
Other liabilities	138,964,783	133,675,699	5,289,084
Total liabilities	328,048,317	340,484,491	(12,436,174)
Net assets			
Invested in capital assets, net of related debt	391,566,146	356,044,033	35,522,113
Restricted	124,949,914	157,586,684	(32,636,770)
Unrestricted	4,190,775	(4,891,597)	9,082,372
Total net assets	\$520,706,835	\$508,739,120	\$11,967,715

Toledo City Schools Governmental Activities



TOLEDO CITY SCHOOL DISTRICT**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012****Unaudited**

Changes in Net Assets – The following table shows the net assets for the fiscal year 2012 compared to 2011:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Revenues			
Program revenues:			
Charges for Services	\$12,034,686	\$14,867,083	(\$2,832,397)
Operating Grants	46,905,184	74,429,919	(27,524,735)
Capital Grants	13,271,422	0	13,271,422
General revenues:			
Property Taxes	84,538,443	107,171,241	(22,632,798)
Grants and Entitlements	231,488,421	232,087,828	(599,407)
Other	346,720	263,178	83,542
Total revenues	<u>388,584,876</u>	<u>428,819,249</u>	<u>(40,234,373)</u>
Program Expenses			
Instruction	236,207,897	260,842,406	(24,634,509)
Support Services	114,249,054	121,820,020	(7,570,966)
Non-Instructional Services	16,957,213	25,822,082	(8,864,869)
Extracurricular Activities	2,387,172	3,563,783	(1,176,611)
Interest and Fiscal Charges	6,815,825	6,327,517	488,308
Total expenses	<u>376,617,161</u>	<u>418,375,808</u>	<u>(41,758,647)</u>
Total Change in Net Assets	11,967,715	10,443,441	1,524,274
Beginning Net Assets	508,739,120	498,295,679	10,443,441
Ending Net Assets	<u>\$520,706,835</u>	<u>\$508,739,120</u>	<u>\$11,967,715</u>

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.

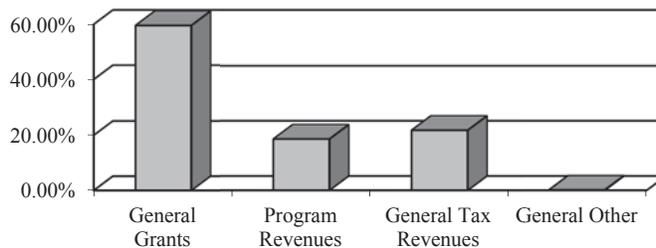
Property taxes made up approximately 21.8% of revenues for governmental activities for the Toledo City School District in fiscal year 2012. The District's reliance upon tax revenues is demonstrated by the following graph indicating 21.8% of total revenues from general tax revenues:

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

Unaudited

Revenue Sources	2012	Percent of Total
General Grants	\$231,488,421	59.56%
Program Revenues	72,211,292	18.58%
General Tax Revenues	84,538,443	21.76%
General Other	346,720	0.10%
Total Revenue	\$388,584,876	100.00%



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$85,296,857, which is a decrease from last year's total of \$107,197,075. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2012 and 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General	(\$1,163,953)	(\$10,805,316)	\$9,641,363
Debt Service	4,314,875	5,193,016	(878,141)
Locally Funded			
Initiative	21,936,360	37,463,756	(15,527,396)
Classroom Facilities			
Capital Projects	35,173,568	50,992,152	(15,818,584)
Other Governmental	25,036,007	24,353,467	682,540
Total	\$85,296,857	\$107,197,075	(\$21,900,218)

The General Fund State Foundation payments continued to decrease due to a decline in student enrollment and the reduction of personal property tax reimbursement; however, the District offset this reduction by decreasing expenditures related to instructional and supporting services in the General Fund by about 6% during the fiscal year. Overall property tax collections continued to be lower due to increases in foreclosures and large refunds resulting from changes in valuation. Current expenditures and transfers were less than total revenues resulting in the increase of the General Fund balance. The reduction of the Debt Service Fund balance is a reflection of property tax receipts for debt service requirements of the respective years. The decrease in the Locally Funded Initiative Fund was due to project capital outlay expenditures during the year. The Classroom Facilities Capital Building Fund also realized large capital outlay expenditures as the project progresses. The combination of these factors resulted in a decrease in the fund balance.

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

Unaudited

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

	2012	2011	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$82,838,427	\$85,283,941	(\$2,445,514)
Tuition	1,866,478	1,872,992	(6,514)
Transportation Fees	380,291	512,767	(132,476)
Investment Earnings	73,578	318,169	(244,591)
Extracurricular Activities	218,727	504,737	(286,010)
Class Materials and Fees	52,358	111,435	(59,077)
Intergovernmental - State	218,511,455	215,350,861	3,160,594
Intergovernmental - Federal	834,989	1,344,044	(509,055)
All Other Revenue	6,769,499	8,133,370	(1,363,871)
Total	<u>\$311,545,802</u>	<u>\$313,432,316</u>	<u>(\$1,886,514)</u>

During fiscal year 2012 total General Fund revenues decreased by approximately .6%. The material make up of this decrease is as follows:

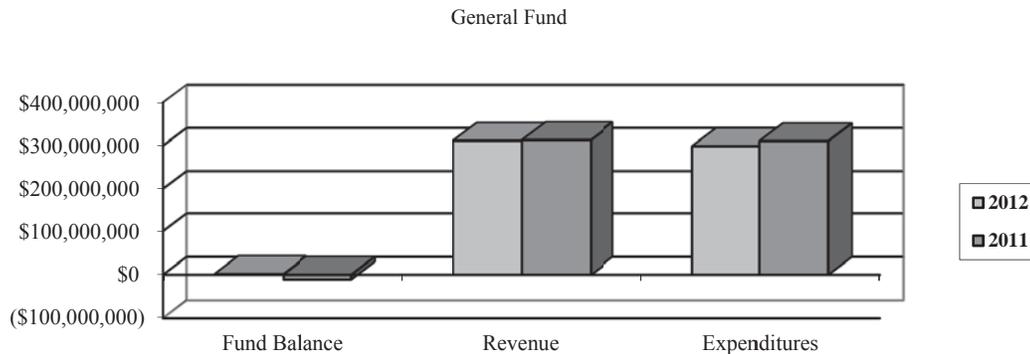
- Property tax revenues decreased due to actions taken by the County Board of Revisions to reduce property values.
- Personal Property Tax Reimbursement phase out.
- Investment earnings were lower as a result of the current economic climate and available interest rates.

	2012	2011	Increase
	Expenditures	Expenditures	(Decrease)
Instruction	\$191,919,663	\$195,854,434	(\$3,934,771)
Supporting Services	91,133,393	95,782,965	(4,649,572)
Non-Instructional Services	15,757,614	15,762,562	(4,948)
Extracurricular Activities	1,833,162	2,998,561	(1,165,399)
Capital Outlay	283,498	271,309	12,189
Total	<u>\$300,927,330</u>	<u>\$310,669,831</u>	<u>(\$9,742,501)</u>

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

Unaudited



During fiscal year 2012 total General Fund expenditures decreased by about 3.1%. The material make up of this decrease is as follows:

- Decreases came across all expenditure functions except for the small increase in Capital Outlay. Reductions made through negotiations with collective bargaining groups are largely responsible for these decreases.

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

During the course of fiscal year 2012, the District amended its General Fund budget as new sources of revenue were received. A final Supplementing/Amending Appropriation Measure was approved prior to the close of the fiscal year.

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

	Original Budget	Final Budget	Percent of Change
General Fund			
Revenue	\$311,756,730	\$338,754,902	8.66%
Expenditures	311,560,001	325,147,075	4.36%

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2012**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2012 the District had \$554,905,656 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2012 and 2011 balances:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Land	\$13,856,745	\$13,856,745	\$0
Construction in Progress	10,865,779	94,921,281	(84,055,502)
Land Improvements	8,533,154	8,533,154	0
Buildings	588,410,975	471,415,267	116,995,708
Building Improvements	21,536,494	28,513,672	(6,977,178)
Machinery and Equipment	11,158,903	10,801,565	357,338
Vehicles	10,327,508	10,371,518	(44,010)
Less: Accumulated Depreciation	(109,783,902)	(116,074,174)	6,290,272
Totals	<u>\$554,905,656</u>	<u>\$522,339,028</u>	<u>\$32,566,628</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).

The District and the Ohio School Facilities Commission have cooperatively entered into an agreement to build and/or renovate sixty-three buildings at an estimated cost of \$645,461,140, for which the District's local share is \$183,498,000. This project will be over a ten-year period. To date the District has expended approximately \$608,468,201 for construction and related costs. During fiscal year 2012, the District opened Beverly, Birmingham, Longfellow, Marshall, McKinley, Old Orchard, Riverside, Walbridge Elementary Schools and the renovation of Scott High School.

Debt - At June 30, 2012, the District had \$160,069,995 in General Obligation Bonds outstanding, \$1,225,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2012 and 2011:

	2012	2011
Governmental Activities:		
General Obligation Bonds	\$160,069,995	\$166,294,995
Premium on G.O. Bonds	8,888,782	3,242,235
Deferred Loss on Defeasance	(4,358,242)	0
Compensated Absences	24,482,999	37,271,562
Totals	<u>\$189,083,534</u>	<u>\$206,808,792</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, 2012, 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 14).

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 2012.

The District is self-insured for the medical, dental and prescription drug care benefits provided to its employees under current contracts with their collective bargaining units and with the individual employees who are not represented by those units. As part of contract negotiations, the insurance benefit plan and employee contributions changed to create an estimated annual savings of \$9,500,000. The Board and the Administration continually explore methods available to reduce the District's costs for these employee health care benefits.

Fiscal Year 2012 was substantially different from prior years with the implementation of the TPS transformation plan. Substantial savings came through this plan and its neighborhood K-8 schools and inclusion of special education students in regular classrooms. In addition changes in health benefit plan design and employee salary concessions further reduced expenditures. The current collective bargaining agreements and associated levels of expense extend through Fiscal Year 2013. As of the October 2012 five-year forecast, the district still maintains the projected balance through Fiscal Year 2013 and an improved projection for Fiscal Year 2014 of -\$1,297,398.

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 Matthew Cleland, Treasurer, at Toledo City School District, 420 E. Manhattan Boulevard, Toledo, Ohio 43608.

TOLEDO CITY SCHOOL DISTRICT

Statement of Net Assets June 30, 2012

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 128,845,185
Cash with Fiscal Agent	2,573,256
Receivables:	
Taxes	115,604,410
Accounts	1,770,072
Intergovernmental	43,391,821
Interest	74,897
Inventory Held for Resale	328,830
Unamortized Bond Issuance Costs	1,261,025
Capital Assets Not Being Depreciated	24,722,524
Capital Assets Being Depreciated, Net	530,183,132
Total Assets	848,755,152
Liabilities:	
Accounts Payable	9,053,769
Accrued Wages and Benefits	28,631,810
Intergovernmental Payable	6,558,507
Unearned Revenue	94,253,000
Accrued Interest Payable	467,697
Long Term Liabilities:	
Due Within One Year	2,492,035
Due in More Than One Year	186,591,499
Total Liabilities	328,048,317
Net Assets:	
Invested in Capital Assets, Net of Related Debt	391,566,146
Restricted For:	
Capital Projects	95,015,152
Debt Service	5,413,569
Permanent Fund:	
Expendable	293,603
Nonexpendable	503,291
School Facilities Maintenance	15,879,672
Auxiliary Services	563,417
Stimulus ARRA	794,869
Student Activities	297,307
Race to the Top	2,303,182
Title I	2,066,493
Improving Teacher Quality	1,287,891
Other Purposes	531,468
Unrestricted	4,190,775
Total Net Assets	\$ 520,706,835

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2012**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 236,207,897	\$ 2,153,120	\$ 17,352,185	\$ 0	\$ (216,702,592)
Support Services	114,249,054	8,424,558	24,336,728	13,271,422	(68,216,346)
Non-Instructional Services	16,957,213	0	4,426,233	0	(12,530,980)
Extracurricular Activities	2,387,172	1,457,008	790,038	0	(140,126)
Interest and Fiscal Charges	6,815,825	0	0	0	(6,815,825)
Totals	<u>\$ 376,617,161</u>	<u>\$ 12,034,686</u>	<u>\$ 46,905,184</u>	<u>\$ 13,271,422</u>	<u>(304,405,869)</u>
General Revenues					
Property Taxes Levied for:					
					74,414,156
					1,026,037
					9,098,250
					231,488,421
					336,955
					9,765
					<u>316,373,584</u>
					11,967,715
					<u>508,739,120</u>
					<u>\$ 520,706,835</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2012**

	General	Debt Service	Locally Funded Initiative	Classroom Facilities
Assets:				
Cash and Cash Equivalents	\$ 16,494,288	\$ 3,689,740	\$ 23,233,081	\$ 37,396,397
Cash with Fiscal Agent	0	0	0	0
Receivables:				
Taxes	102,615,441	11,737,630	0	0
Accounts	1,365,991	0	283,358	0
Intergovernmental	1,235,156	0	0	30,708,936
Interest	13,748	0	15,313	22,594
Interfund Loan Receivable	2,114,379	0	0	0
Inventory Held for Resale	65,468	0	0	0
Total Assets	\$ 123,904,471	\$ 15,427,370	\$ 23,531,752	\$ 68,127,927
Liabilities:				
Accounts Payable	\$ 2,538,457	\$ 0	\$ 1,595,392	\$ 2,244,788
Accrued Wages and Benefits	20,395,478	0	0	0
Intergovernmental Payable	5,093,682	0	0	635
Interfund Loans Payable	0	0	0	0
Deferred Revenue	97,040,807	11,112,495	0	30,708,936
Total Liabilities	125,068,424	11,112,495	1,595,392	32,954,359
Fund Balances:				
Nonspendable	65,468	0	0	0
Restricted	0	4,314,875	21,936,360	35,173,568
Unassigned	(1,229,421)	0	0	0
Total Fund Balances	(1,163,953)	4,314,875	21,936,360	35,173,568
Total Liabilities and Fund Balances	\$ 123,904,471	\$ 15,427,370	\$ 23,531,752	\$ 68,127,927

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Other Governmental Funds	Total Governmental Funds
\$ 28,379,398	\$ 109,192,904
2,573,256	2,573,256
1,251,339	115,604,410
12,786	1,662,135
11,436,618	43,380,710
13,946	65,601
0	2,114,379
263,362	328,830
<u>\$ 43,930,705</u>	<u>\$ 274,922,225</u>
\$ 2,028,835	\$ 8,407,472
3,056,532	23,452,010
1,002,241	6,096,558
2,114,379	2,114,379
10,692,711	149,554,949
<u>18,894,698</u>	<u>189,625,368</u>
503,291	568,759
25,382,020	86,806,823
(849,304)	(2,078,725)
<u>25,036,007</u>	<u>85,296,857</u>
<u>\$ 43,930,705</u>	<u>\$ 274,922,225</u>

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2012***

Total Governmental Fund Balances	\$ 85,296,857
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	554,905,656
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	56,562,974
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 assets.	13,492,579
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(189,551,231)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 520,706,835</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, 2012**

	General	Debt Service	Locally Funded Initiative	Classroom Facilities
Revenues:				
Taxes	\$ 82,838,427	\$ 9,098,250	\$ 0	\$ 0
Tuition	1,866,478	0	0	0
Transportation Fees	380,291	0	0	0
Food Services	0	0	0	0
Investment Earnings	73,578	0	77,910	113,163
Extracurricular Activities	218,727	0	0	0
Class Materials and Fees	52,358	0	0	0
Intermediate Sources	0	0	0	0
Intergovernmental - State	218,511,455	2,019,768	0	18,959,752
Intergovernmental - Federal	834,989	0	0	0
All Other Revenue	6,769,499	0	0	386,977
Total Revenue	311,545,802	11,118,018	77,910	19,459,892
Expenditures:				
Current:				
Instruction	191,919,663	0	0	0
Supporting Services	91,133,393	666,657	9,128	2,160,839
Non-Instructional Services	15,757,614	0	0	0
Extracurricular Activities	1,833,162	0	0	0
Capital Outlay	283,498	0	15,886,447	32,827,368
Debt Service:				
Principal Retirement	0	4,395,000	0	0
Interest and Fiscal Charges	0	7,568,120	0	0
Total Expenditures	300,927,330	12,629,777	15,895,575	34,988,207
Excess (Deficiency) of Revenues Over Expenditures	10,618,472	(1,511,759)	(15,817,665)	(15,528,315)
Other Financing Sources (Uses):				
Payments to Refunding Bonds Escrow Agent	0	(59,595,899)	0	0
General Obligation Bonds Issued	0	52,555,000	0	0
Premiums on Bonds Issued	0	7,508,433	0	0
Transfers In	0	166,084	290,269	0
Transfers Out	(977,109)	0	0	(290,269)
Total Other Financing Sources (Uses)	(977,109)	633,618	290,269	(290,269)
Net Change in Fund Balance	9,641,363	(878,141)	(15,527,396)	(15,818,584)
Fund Balances (Deficit) at Beginning of Year	(10,805,316)	5,193,016	37,463,756	50,992,152
Fund Balances (Deficit) End of Year	\$ (1,163,953)	\$ 4,314,875	\$ 21,936,360	\$ 35,173,568

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Other Governmental Funds	Total Governmental Funds
\$ 1,026,037	\$ 92,962,714
272,684	2,139,162
0	380,291
753,334	753,334
78,683	343,334
268,395	487,122
5,998	58,356
10,200	10,200
5,843,638	245,334,613
58,084,344	58,919,333
1,106,052	8,262,528
<u>67,449,365</u>	<u>409,650,987</u>
29,493,781	221,413,444
22,265,364	116,235,381
13,888,741	29,646,355
449,446	2,282,608
1,480,518	50,477,831
0	4,395,000
0	7,568,120
<u>67,577,850</u>	<u>432,018,739</u>
(128,485)	(22,367,752)
0	(59,595,899)
0	52,555,000
0	7,508,433
826,107	1,282,460
(15,082)	(1,282,460)
<u>811,025</u>	<u>467,534</u>
682,540	(21,900,218)
<u>24,353,467</u>	<u>107,197,075</u>
<u>\$ 25,036,007</u>	<u>\$ 85,296,857</u>

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, 2012***

Net Change in Fund Balances - Total Governmental Funds \$ (21,900,218)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	34,759,220
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.	(2,192,592)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(21,023,390)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	4,936,695
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	185,700
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	12,813,463
The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	4,388,837
<i>Change in Net Assets of Governmental Activities</i>	<u>\$ 11,967,715</u>

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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Revenue from Local Sources	\$ 73,338,749	\$ 91,628,725	\$ 91,553,204	\$ (75,521)
Revenue from State Sources	212,860,217	215,633,217	218,511,455	2,878,238
Revenue from Federal Sources	3,657,764	8,554,792	834,989	(7,719,803)
Total Revenues	<u>289,856,730</u>	<u>315,816,734</u>	<u>310,899,648</u>	<u>(4,917,086)</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	81,166,134	83,597,165	79,040,975	4,556,190
Special	30,853,591	27,272,445	28,099,937	(827,492)
Vocational Education	7,208,236	8,368,529	7,940,356	428,173
Other	78,830,700	80,495,000	78,243,445	2,251,555
Support Services:				
Pupils	14,263,155	14,920,724	14,049,184	871,540
Instructional Staff	10,417,933	10,619,280	10,950,861	(331,581)
Board of Education	64,494	66,024	59,420	6,604
Administration	15,741,752	17,278,177	16,575,364	702,813
Fiscal Services	5,747,924	6,173,656	5,742,126	431,530
Business	2,252,154	2,580,649	2,438,740	141,909
Operation and Maintenance of Plant	30,224,662	30,001,235	28,231,674	1,769,561
Pupil Transportation	10,183,870	10,781,336	10,412,839	368,497
Central	5,975,542	6,351,064	5,637,637	713,427
Other Services:				
Food Service Operations	43,976	57,962	50,615	7,347
Community Services	571,178	285,751	251,665	34,086
Other Operation of Non-Instructional Services	11,551,497	15,026,595	13,200,040	1,826,555
Academic and Subject Oriented Activities	69,339	155,061	144,716	10,345
Occupation Oriented Activities	0	139,615	115,396	24,219
Sport Oriented Activities	2,374,519	1,388,583	1,346,663	41,920
School and Public Service Co-Curricular. Activiti	39,345	80,571	72,872	7,699
Site Improvement Services	330,000	300,000	275,896	24,104
Total Expenditures	<u>307,910,001</u>	<u>315,939,422</u>	<u>302,880,421</u>	<u>13,059,001</u>

TOLEDO CITY SCHOOL DISTRICT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,053,271)	(122,688)	8,019,227	8,141,915
Other Financing Sources (Uses):				
Sale of Notes	20,000,000	20,000,000	20,000,000	0
Transfers Out	(2,150,000)	(22,128,085)	(21,216,946)	911,139
Advances In	1,500,000	1,438,168	1,372,233	(65,935)
Advances Out	(1,480,000)	(1,480,000)	(2,115,689)	(635,689)
Refund of Prior Year's Expenditures	400,000	1,500,000	1,589,441	89,441
Refund of Prior Year's Receipts	(20,000)	(37,731)	(17,731)	20,000
Total Other Financing Sources (Uses):	<u>18,250,000</u>	<u>(707,648)</u>	<u>(388,692)</u>	<u>318,956</u>
Net Change in Fund Balances	196,729	(830,336)	7,630,535	8,460,871
Fund Balance at Beginning of Year	623,381	623,381	623,381	0
Prior Year Encumbrances	3,891,958	3,891,958	3,891,958	0
Fund Balance at End of Year	<u>\$ 4,712,068</u>	<u>\$ 3,685,003</u>	<u>\$ 12,145,874</u>	<u>\$ 8,460,871</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Net Assets
Proprietary Funds
June 30, 2012***

	Governmental Activities - Internal Service Funds
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 19,652,281
Receivables:	
Accounts	107,937
Intergovernmental	11,111
Interest	9,296
Total Assets	<u>19,780,625</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	646,297
Accrued Wages and Benefits	5,179,800
Intergovernmental Payable	461,949
Total Liabilities	<u>6,288,046</u>
Net Assets:	
Unrestricted	<u>13,492,579</u>
Total Net Assets	<u>\$ 13,492,579</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012***

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Interfund Charges	\$ 47,089,424
Total Operating Revenues	<u>47,089,424</u>
Operating Expenses:	
Personal Services	1,606,839
Purchased Services	41,148,543
Miscellaneous	4,756
Total Operating Expenses	<u>42,760,138</u>
Operating Income	4,329,286
Nonoperating Revenue (Expenses):	
Investment Earnings	59,551
Change in Net Assets	4,388,837
Net Assets Beginning of Year	<u>9,103,742</u>
Net Assets End of Year	<u>\$ 13,492,579</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, 2012***

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$47,085,307
Cash Payments to Employees for Services and Benefits	(42,457,209)
Net Cash Provided by Operating Activities	<u>4,628,098</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	87,507
Net Cash Provided by Investing Activities	<u>87,507</u>
Net Increase in Cash and Cash Equivalents	4,715,605
Cash and Cash Equivalents at Beginning of Year	14,936,676
Cash and Cash Equivalents at End of Year	<u><u>\$19,652,281</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$4,329,286
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(45,415)
Decrease in Intergovernmental Receivables	2,660
Increase in Accounts Payable	627,220
Decrease in Accrued Wages and Benefits	(101,400)
Decrease in Intergovernmental Payables	(184,253)
Total Adjustments	<u>298,812</u>
Net Cash Provided by Operating Activities	<u><u>\$4,628,098</u></u>

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

**Statement of Net Assets
Fiduciary Funds
June 30, 2012**

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 1,706,706	\$ 365,952
Receivables:		
Interest	636	214
Total Assets	<u>1,707,342</u>	<u>366,166</u>
Liabilities:		
Accounts Payable	0	17,493
Intergovernmental Payable	0	1,070
Due to Students	0	347,603
Total Liabilities	<u>0</u>	<u>366,166</u>
Net Assets:		
Unrestricted	1,707,342	0
Total Net Assets	<u>\$ 1,707,342</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2012**

	Private Purpose Trust Special Trust Fund
Additions:	
Contributions:	
Sales	\$ 8,882
Dues and Fees	0
Private Donations	393,061
Total Contributions	<u>401,943</u>
Investment Earnings:	
Interest	4,806
Net Decrease in the Fair Value of Investments	(1,077)
Total Investment Earnings	<u>3,729</u>
Total Additions	<u>405,672</u>
Deductions:	
Administrative Expenses	<u>50,812</u>
Total Deductions	<u>50,812</u>
Change in Net Assets	354,860
Net Assets at Beginning of Year	<u>1,352,482</u>
Net Assets End of Year	<u>\$ 1,707,342</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

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 1,320 noncertified and approximately 2,327 certified teaching personnel and administrative employees providing education to 23,174 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," 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, liabilities, 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, 2012***

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.

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

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.

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 a "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The District uses internal service funds to account for employee health insurance, workers' compensation, operations of the computer network of the Department of Education and operations that provide goods and services to other departments within the District.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. 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 assets 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, 2012***

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 current liabilities, 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 all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2012***

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, 2012, and which are not intended to finance fiscal 2012 operations, have been recorded as unearned revenue on the Statement of Net Assets. 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, 2012 are reflected as a reservation of 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, 2012***

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 2012.

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***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

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 2012 the Board of Education passed the annual certification on June 23, 2011.

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) as opposed to reservations of fund balance (GAAP basis).

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

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)	\$9,641,363
Increase (Decrease):	
Accrued Revenues at June 30, 2012, received during FY 2013	(10,369,376)
Accrued Revenues at June 30, 2011, received during FY 2012	8,422,942
Accrued Expenditures at June 30, 2012, paid during FY 2013	28,027,617
Accrued Expenditures at June 30, 2011, paid during FY 2012	(25,050,568)
Perspective Difference:	
2011 Advance to Fiduciary Fund	70,490
2012 Advance to Fiduciary Fund	(37,848)
Activity of Funds Reclassified For GAAP Reporting Purposes	31,952
2011 Adjustment to Fair Value	(67,392)
2012 Adjustment to Fair Value	0
Encumbrances Outstanding	<u>(3,038,645)</u>
Budget Basis	<u>\$7,630,535</u>

F. Cash and Investments

Cash received by the District is deposited in one of seven banks 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, 2012, 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, 2012***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

During fiscal year 2012, investment purchases were exclusively limited to Star Ohio, Commercial Paper, Banker's Acceptance, U.S. Treasury Obligations, U.S. Agency Issues, Interest Bearing Savings Accounts, Sweep Accounts, Negotiable Orders of Withdrawals and Money Market Mutual Funds. Except for participating interest earning investments and money market investments that had a remaining maturity of one year or less at the time of purchase and non-participating interest earning investments, investments are reported at fair value. All remaining investments are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to certain funds and according to Board policy and resolution. The District's investments are affected by fair value change; therefore, they are participating. Interest revenue credited to the General Fund during fiscal year 2012 amounted to \$73,578, which includes \$64,329 assigned from other funds.

The District has invested funds in the STAR Ohio during 2012. 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, 2012.

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 accounts. The District also invests inactive funds in the Auxiliary Services Program Fund, the School Facilities Maintenance Fund, the Locally Funded Initiatives Fund, the Classroom Facilities Project Fund, the Permanent Improvement Fund, the Employee Benefit – Insurance Fund, the Worker's Compensation Fund and distributes interest earned directly to the funds. See Note 5, "Cash, Cash Equivalents and Investments."

From July 1, 2011 the investment portfolio exhibited a decrease in fair value of approximately \$37.4 million, while the average maturity decreased by 214 days and the average yield decreased by 16 basis points (.159%). The decrease in fair value was directly attributable to the increased expenditure patterns in the Ohio School Facilities Commission Building Project funds. Interest earnings for all funds since July 1, 2011, were down approximately 67% as the interest rate environment continued to decline and there were significantly less dollars available for investment due to increased expenditures in the Project fund and a declining General Fund balance due to budgetary measures.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

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 Assets, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$5,000.

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

2. Depreciation

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

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

I. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Compensated Absences	General Fund

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences and Salary Related Payments

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

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include restricted state and federal grants.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are 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, 2012***

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. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

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.

The District currently has no policy for minimum fund balance.

M. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

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 deferred revenue.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2012.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 2 – FUND BALANCES

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

Fund Balances	General Fund	Debt Service Fund	Locally Funded Initiative Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	\$65,468	\$0	\$0	\$0	\$0	\$65,468
Corpus	0	0	0	0	503,291	503,291
Total Nonspendable	<u>65,468</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>503,291</u>	<u>568,759</u>
Restricted:						
Endowments	0	0	0	0	293,603	293,603
Food Services	0	0	0	0	175,065	175,065
School Facilities Maintenance	0	0	0	0	15,879,672	15,879,672
Staff Development and Support	0	0	0	0	274,595	274,595
Auxiliary Services	0	0	0	0	569,294	569,294
Extracurricular Activities	0	0	0	0	297,307	297,307
Drug Education Program	0	0	0	0	1,069	1,069
Technology Improvements	0	0	0	0	63,637	63,637
Targeted Academic Assistance	0	0	0	0	631,490	631,490
Debt Service Payments	0	4,314,875	0	0	0	4,314,875
Capital Acquisition and Improvement	0	0	21,936,360	35,173,568	7,196,288	64,306,216
Total Restricted	<u>0</u>	<u>4,314,875</u>	<u>21,936,360</u>	<u>35,173,568</u>	<u>25,382,020</u>	<u>86,806,823</u>
Unassigned (Deficits):	(1,229,421)	0	0	0	(849,304)	(2,078,725)
Total Fund Balances (Deficits)	<u>(\$1,163,953)</u>	<u>\$4,314,875</u>	<u>\$21,936,360</u>	<u>\$35,173,568</u>	<u>\$25,036,007</u>	<u>\$85,296,857</u>

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation Of Certain Differences Between The Governmental Fund Balance Sheet And The Government-Wide Statement Of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Tax Revenue	\$17,655,894
Grants Receivable	37,646,055
Unamortized Bond Issuance Costs	<u>1,261,025</u>
	\$56,562,974

Long-Term liabilities not reported in the funds:

Accrued Interest Payable on G.O. Bond Payable	(\$467,697)
G.O. Bonds Payable	(164,600,535)
Compensated Absences Payable	<u>(24,482,999)</u>
	(\$189,551,231)

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation Of Certain Differences Between The Governmental Fund Statement Of Revenues, Expenditures, And Changes In Fund Balances And The Government-Wide Statement Of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$47,978,661
Depreciation Expense	<u>(13,219,441)</u>
	\$34,759,220

Governmental revenues not reported in the funds:

Decrease in Delinquent Tax Revenue	(\$8,424,271)
Decrease in Grants Receivable	<u>(12,599,119)</u>
	(\$21,023,390)

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

G.O. Bond Principal Payment	\$58,780,000
G.O. Bonds Issued	(52,555,000)
Premium on New Bonds Issued	(7,508,433)
Deferred Loss on New Bonds Issued	4,358,242
Amortization of Premium on G.O. Bonds	<u>1,861,886</u>
	\$4,936,695

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$12,788,563
Bond Issuance Costs on New Bonds Issued	467,534
Amortization of Bond Issuance Costs	<u>(442,634)</u>
	\$12,813,463

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at June 30, 2012 of \$1,163,953 in the General Fund, \$72,239 in the Adult Education Fund, \$583,416 in the Other Grants Fund, \$33,495 in the Public School Preschool Fund, \$10,251 in the Title I School Improvement Fund, \$75,109 in the Title I Fund and \$74,794 in the Miscellaneous Federal Grants Fund (special revenue funds) 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 5704.41 (B), Ohio Revised Code, states no subdivision shall make any expenditure of money unless it has been appropriated. Section 5704.41 (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 \$724,922, the Miscellaneous Federal Grant Fund by \$119,085, the Public School Preschool Fund by \$44,341, the Data Communication Fund by \$54,852, the Vocational Education Enhancement Fund by \$1,707, the Alternative Schools Fund by \$25,301 and the Drug Free Schools Grant Fund by \$7,100. Failure to properly monitor and compare appropriations and actual expenditures could lead to over spending and cause a deficit in the fund balance.

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with Financial Institutions

At June 30, 2012, the carrying amount of all District deposits was \$111,369,300. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, at June 30, 2012 cash concentration accounts, savings accounts and certificates of deposit totaled \$121,736,750. Of this amount, \$38,887,233 was exposed to custodial risk as discussed below, while \$82,849,517 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, 2012, 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, 2012**

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

Investments

As of June 30, 2012, the District had the following investments and maturities.

Investment Type	June 30, 2012	June 30, 2012	Investment Maturities (in Years)		
	Adjusted Cost	Fair Value	less than 1	1-2	2-5
Star Ohio	\$5,518,543	\$5,518,543	\$5,518,543	\$0	\$0
US Treasury Securities	0	0	0	0	0
Non-Callable US Agency Securities	14,030,000	14,030,000	14,030,000	0	0
Total Investments	<u>\$19,548,543</u>	<u>\$19,548,543</u>	<u>\$19,548,543</u>	<u>\$0</u>	<u>\$0</u>
			<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</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:	71
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	10
The Average Duration of the Entire Investment Portfolio is:	0.02
The Weighted Average Coupon of the Entire Portfolio is:	0.145%
The Weighted Average Yield of the Entire Portfolio is:	0.073%

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, 2012, one hundred percent (100%) of the investment portfolio matures within one year.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

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 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 were rated A1-P1 by Standard & Poor's and Moody's Investor Service respectively at the time of purchase. Combined holdings of Commercial Paper and Banker Acceptances are limited to 25% 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. The District has no investment policy that limits its investment choices other than the limitation of State statute for "interim" funds.

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.
- (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, 2012**

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 ten percent (10%) of average portfolio outstanding will be invested in Commercial Paper in any one issuer at any one time.
- (e) No more than ten percent (10%) 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, 2012:

Concentration of Credit Risk by Investment Type

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$5,518,543	28.23%
Non-Callable US Agency Securities	14,030,000	71.77%
Total Investments	<u>\$19,548,543</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, 2012:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$5,518,543	28.23%
Federal National Mortgage Association	5,000,000	25.58%
Federal Home Loan Mortgage Corporation	9,030,000	46.19%
Total Investments	<u>\$19,548,543</u>	<u>100.00%</u>

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2012 were levied after April 1, 2011 on assessed values as of January 1, 2011, 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 2009. 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 2012, upon which the 2011 levies were based, were as follows:

	2011 Second Half Collections	2012 First Half Collections
Real Estate	\$2,622,616,460	\$2,573,582,270
Tangible Personal and Public Utility Property	107,158,390	114,194,810
Total Assessed Value	<u>\$2,729,774,850</u>	<u>\$2,687,777,080</u>
Tax rate per \$1,000 of assessed valuation	\$65.70	\$65.70

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2012 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, 2012 from one individual fund to another are as follows:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$2,114,379	\$0
Other Governmental Funds	0	2,114,379
Totals	<u>\$2,114,379</u>	<u>\$2,114,379</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, 2012:

Transfers Out:	Transfers In:			Total
	Bond Retirement Fund	Locally Funded Initiative Fund	Other Governmental Funds	
General Fund	\$166,084	\$0	\$811,025	\$977,109
Classroom Facilities Fund	0	290,269	0	290,269
Other Governmental Funds	0	0	15,082	15,082
	<u>\$166,084</u>	<u>\$290,269</u>	<u>\$826,107</u>	<u>\$1,282,460</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, 2012**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2012:

Historical Cost:

Class	June 30, 2011	Additions	Deletions	June 30, 2012
<i>Capital assets not being depreciated:</i>				
Land	\$13,856,745	\$0	\$0	\$13,856,745
Construction in Progress	94,921,281	47,522,382	(131,577,884)	10,865,779
<i>Capital assets being depreciated:</i>				
Land Improvements	8,533,154	0	0	8,533,154
Buildings	471,415,267	131,577,884	(14,582,176)	588,410,975
Building Improvements	28,513,672	0	(6,977,178)	21,536,494
Machinery and Equipment	10,801,565	357,338	0	11,158,903
Vehicles	10,371,518	98,941	(142,951)	10,327,508
Total Cost	<u>\$638,413,202</u>	<u>\$179,556,545</u>	<u>(\$153,280,189)</u>	<u>\$664,689,558</u>

Accumulated Depreciation:

Class	June 30, 2011	Additions	Deletions	June 30, 2012
Land Improvements	(\$8,059,863)	(\$105,875)	\$0	(\$8,165,738)
Buildings	(67,295,631)	(11,136,655)	13,768,265	(64,664,021)
Building Improvements	(23,342,475)	(735,439)	5,615,658	(18,462,256)
Machinery and Equipment	(8,971,350)	(693,889)	0	(9,665,239)
Vehicles	(8,404,855)	(547,583)	125,790	(8,826,648)
Total Depreciation	<u>(\$116,074,174)</u>	<u>(\$13,219,441) *</u>	<u>\$19,509,713</u>	<u>(\$109,783,902)</u>
<i>Net Value:</i>	<u>\$522,339,028</u>			<u>\$554,905,656</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$11,447,961
Support Services	1,482,705
Non-Instructional Services	183,891
Extracurricular Activities	104,884
Total Depreciation Expense	<u>\$13,219,441</u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

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. School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website, www.ohsers.org, under Employers/Audit Resources.

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, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$4,435,526, \$4,769,037 and \$5,599,201 respectively; 53.44% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor 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 - For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$11,793,968, \$15,853,676, and \$17,824,505 respectively; 79.04% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website, www.ohsers.org under Employers/Audit Resources.

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 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2012, this amount was \$35,800.

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, 2012, 2011, and 2010 were \$874,532, \$963,051, and \$1,111,050 respectively; 53.44% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$263,772, \$283,605, and \$332,973 respectively; which were equal to the required contributions for each year.

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.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy – Ohio law 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 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District’s contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$907,228, \$1,219,514 and \$1,371,116 respectively; 79.04% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

NOTE 13 - NOTES PAYABLE

Note Payable activity of the District for the year ended June 30, 2012, was as follows:

	Issue Date	Balance July 1 2010	Issued (Retired)	Balance June 30 2011
Debt Service Fund Note Payable:				
0.86% Tax Anticipation	7/1/11	\$0	\$20,000,000	
			(20,000,000)	0
Total Notes Payable		\$0	\$0	\$0

The tax anticipation notes were issued to provide funding for expenditures during periods when expenditures exceed revenues and the District is waiting for those revenues due to be deposited.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the District at June 30, 2012 was as follows:

Description	Balance June 30, 2011	Issued	(Retired)	Balance June 30, 2012	Amount Due Within One Year
Governmental Activities:					
<u>General Obligation Bond:</u>					
School Facility Improvement 2003					
G.O. Bond (2.00% - 5.00%)	\$47,965,000	\$0	(\$26,535,000)	\$21,430,000	\$190,000
Premium General Obligation Bond	1,104,563	0	(637,029)	467,534	25,974
School Facility Improvement 2003B					
G.O. Bond (2.00% - 5.00%)	91,305,000	0	(31,585,000)	59,720,000	330,000
Premium General Obligation Bond	1,796,606	0	(674,897)	1,121,709	53,415
School Facility Improvement 2009					
G.O. Bond (2.00% - 5.375%)	27,024,995	0	(660,000)	26,364,995	680,000
Premium General Obligation Bond	341,066	0	(13,643)	327,423	13,643
School Facility Improvement 2012					
G.O. Bond (2.00% - 5.375%)	0	52,555,000	0	52,555,000	25,000
Premium General Obligation Bond	0	7,508,433	(536,317)	6,972,116	536,317
Deferred Loss on Refunding Bonds	0	(4,358,242)	0	(4,358,242)	0
Total General Obligation Bond	169,537,230	55,705,191	(60,641,886)	164,600,535	1,854,349
<u>Other Obligations:</u>					
Compensated Absences	37,271,562	2,942,055	(15,730,618)	24,482,999	637,686
Long-Term Debt and Other Long-Term Obligations	\$206,808,792	\$58,647,246	(\$76,372,504)	\$189,083,534	\$2,492,035

During fiscal years 2003, 2004, 2009 and 2012 the District issued General Obligation Bonds in the amounts of \$72,500,000, \$103,600,000, \$31,999,995 and \$52,555,000 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, 2012**

NOTE 14 - LONG-TERM DEBT (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements for the general obligation bonds payable, including principal and interest payments as of June 30, 2012, follows:

Years	General Obligation Bonds Payable		
	Principal	Interest	Total
2013	\$1,225,000	\$7,378,514	\$8,603,514
2014	1,220,000	7,196,541	8,416,541
2015	1,415,000	6,985,088	8,400,088
2016	1,570,000	6,742,163	8,312,163
2017	1,815,000	6,490,663	8,305,663
2018-2022	32,989,995	29,667,527	62,657,522
2023-2027	45,795,000	20,909,265	66,704,265
2028-2032	53,890,000	10,435,947	64,325,947
2033-2036	20,150,000	1,025,412	21,175,412
Totals	<u>\$160,069,995</u>	<u>\$96,831,120</u>	<u>\$256,901,115</u>

B. Refunded General Obligation Debt

On January 19, 2012, the District refunded \$54,385,000 of outstanding bonds (the "2003 Bonds") with an interest rate of 4.6% with \$60,063,433 of refunding bonds, including premium, issued in January 2012. A portion of the principal amount of the 2003 bonds was paid off during 2012. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. This transaction resulted in a savings to the District of \$6,052,038.

NOTE 15 - CONSTRUCTION COMMITMENTS

The School District and the Ohio School Facilities Commission (OSFC) entered into a Master Facilities Plan that calls for (1) the construction of 39 new elementary schools, 12 new middle schools, 5 new high schools and 1 combined elementary/middle school and (2) the renovation of 3 elementary schools, a combined middle school/high school, 2 high schools and an aviation education center. Due to a decline in enrollment, the District and the OSFC currently estimate the total budget for the project at \$645,461,140, which has been downsized from the Original project budget of \$797,817,229. To date the District has expended approximately \$608,468,201 for construction commitments and related costs.

NOTE 16 - ENDOWMENTS

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. For the year ended June 30, 2012, the net appreciation on investments of donor-restricted endowments was (\$14,208). 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, 2012, accumulated available net appreciation of \$293,603 is reported in restricted net assets.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 17 - 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 \$5,179,800 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$461,949 (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.

Changes in the fund's claims liability amount in 2011 and 2012 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>
2011	\$7,729,400	54,531,804	(56,333,802)	\$5,927,402
2012	5,927,402	42,143,502	(42,429,155)	5,641,749

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, 2012**

NOTE 18 – 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, 2012, the reserve activity (cash-basis) was as follows:

	<u>Capital Maintenance</u>
Set-aside Balance as of June 30, 2011	\$0
Current Year Set-Aside Requirement	4,050,729
Current Year Offset Credits	2,401,504
Qualifying Disbursements	<u>(23,917,556)</u>
Total	<u>(\$17,465,323)</u>
Set-aside Balance Carried Forward to FY 2012	<u><u>\$0</u></u>

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

Beginning in FY 2012, H.B. 30 of the Ohio 129th General Assembly has repealed ORC Section 3315.17 which required school districts to annually set aside funds for acquisition of textbooks and instructional materials. Additionally, Section 267.60.10 of Am. Sub. H. B. 153 provides for school districts' boards of education to transfer any unencumbered money remaining as of July 1, 2011, in the textbook and instructional materials fund to the districts' general revenue fund to be used for any purpose authorized for the general revenue fund.

NOTE 19 – SIGNIFICANT COMMITMENTS

Significant encumbrances outstanding at year-end in the General Fund are \$2,579,203 and are reported as unassigned fund balance. Also, in the capital projects funds there are significant encumbrances outstanding in the amounts of \$1,188,115, \$6,959,045 and \$11,991,868 for the Permanent Improvement Fund, the Locally Funded Initiative Fund and the Classroom Facilities Fund, 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, 2012***

NOTE 20 - 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, 2012.

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, 2012. 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. Full Time Equivalency

The Auditor of State (AOS) issued its Statewide Audit of Student Attendance Data and Accountability System on February 11, 2013, a statewide assessment of school year 2010-11 student attendance and enrollment practices for select Ohio schools. AOS has referred the Toledo City School District as a district with evidence of scrubbing to the Ohio Department of Education (ODE) and U.S. Department of Education Office of the Inspector General (IG) for further investigation and recalculation of the school report cards. The ODE and IG have not yet determined the impact of these results.

NOTE 21 – SUBSEQUENT EVENT

On September 25, 2012, the District passed resolutions for the purpose of refunding at a lower interest cost for the outstanding Classroom Facility Improvement Bonds and the School Site and Facilities Improvement Bonds.

*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.*

TOLEDO CITY SCHOOL DISTRICT

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.

Education Jobs Fund

To account for federal monies to provide compensation and benefits to retain existing employees, to recall or rehire former employees and to hire new employees in order to provide early childhood, elementary or secondary educational and related services. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year. This fund only exists on a GAAP basis and is not part of the District's appropriated budget, therefore no budgetary schedule is presented)

(Continued)

Special Revenue Funds

Race to the Top Fund

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

Special Education Handicapped Fund

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

Vocational Education Fund

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

Title VII Bilingual Education Program Fund

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

Title I Fund

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

Drug Free Schools Grant Fund

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

Preschool Grants for the Handicapped Fund

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

Improving Teacher Quality Fund

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

(Continued)

Special Revenue Funds

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.

Educational Research and Development Fund

To improve State academic achievement through technology in schools; to assist students in becoming technologically literate by the end of eighth grade, and; to encourage effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

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.

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.

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.

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, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 19,972,318	\$ 7,610,623	\$ 796,457	\$ 28,379,398
Cash with Fiscal Agent	0	2,573,256	0	2,573,256
Receivables:				
Taxes	1,251,339	0	0	1,251,339
Accounts	12,786	0	0	12,786
Intergovernmental	11,436,618	0	0	11,436,618
Interest	9,594	3,915	437	13,946
Inventory Held for Resale	263,362	0	0	263,362
Total Assets	\$ 32,946,017	\$ 10,187,794	\$ 796,894	\$ 43,930,705
Liabilities:				
Accounts Payable	\$ 1,610,585	\$ 418,250	\$ 0	\$ 2,028,835
Accrued Wages and Benefits	3,056,532	0	0	3,056,532
Intergovernmental Payable	1,002,241	0	0	1,002,241
Interfund Loans Payable	2,114,379	0	0	2,114,379
Deferred Revenue	8,119,455	2,573,256	0	10,692,711
Total Liabilities	15,903,192	2,991,506	0	18,894,698
Fund Balances:				
Nonspendable	0	0	503,291	503,291
Restricted	17,892,129	7,196,288	293,603	25,382,020
Unassigned	(849,304)	0	0	(849,304)
Total Fund Balances	17,042,825	7,196,288	796,894	25,036,007
Total Liabilities and Fund Balances	\$ 32,946,017	\$ 10,187,794	\$ 796,894	\$ 43,930,705

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,026,037	\$ 0	\$ 0	\$ 1,026,037
Tuition	272,684	0	0	272,684
Food Services	753,334	0	0	753,334
Investment Earnings	57,012	20,179	1,492	78,683
Extracurricular Activities	268,395	0	0	268,395
Class Materials and Fees	5,998	0	0	5,998
Intermediate Sources	10,200	0	0	10,200
Intergovernmental - State	5,843,638	0	0	5,843,638
Intergovernmental - Federal	58,084,344	0	0	58,084,344
All Other Revenue	1,105,052	0	1,000	1,106,052
Total Revenue	67,426,694	20,179	2,492	67,449,365
Expenditures:				
Current:				
Instruction	27,258,346	2,234,590	845	29,493,781
Supporting Services	22,078,610	169,646	17,108	22,265,364
Operation of Non-Instructional Services	13,888,741	0	0	13,888,741
Extracurricular Activities	449,391	0	55	449,446
Capital Outlay	333,810	1,146,708	0	1,480,518
Total Expenditures	64,008,898	3,550,944	18,008	67,577,850
Excess (Deficiency) of Revenues Over Expenditures	3,417,796	(3,530,765)	(15,516)	(128,485)
Other Financing Sources (Uses):				
Transfers In	826,107	0	0	826,107
Transfers Out	(15,082)	0	0	(15,082)
Total Other Financing Sources (Uses)	811,025	0	0	811,025
Net Change in Fund Balance	4,228,821	(3,530,765)	(15,516)	682,540
Fund Balances at Beginning of Year	12,814,004	10,727,053	812,410	24,353,467
Fund Balances End of Year	\$ 17,042,825	\$ 7,196,288	\$ 796,894	\$ 25,036,007

TOLEDO CITY SCHOOL DISTRICT**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
Assets:				
Cash and Cash Equivalents	\$ 230,397	\$ 9,239	\$ 266,661	\$ 15,877,415
Receivables:				
Taxes	0	0	0	1,251,339
Accounts	5,970	0	0	0
Intergovernmental	0	4,725	0	0
Interest	0	0	0	8,118
Inventory Held for Resale	263,362	0	0	0
Restricted Assets:				
Total Assets	<u>\$ 499,729</u>	<u>\$ 13,964</u>	<u>\$ 266,661</u>	<u>\$ 17,136,872</u>
Liabilities:				
Accounts Payable	\$ 25,742	\$ 4,175	\$ 6,452	\$ 73,686
Accrued Wages and Benefits	20,160	34,539	13,877	0
Intergovernmental Payable	278,762	38,668	7,324	1,179
Interfund Loans Payable	0	8,821	822,424	0
Deferred Revenue	0	0	0	1,182,335
Total Liabilities	<u>324,664</u>	<u>86,203</u>	<u>850,077</u>	<u>1,257,200</u>
Fund Balances:				
Restricted	175,065	0	0	15,879,672
Unassigned	0	(72,239)	(583,416)	0
Total Fund Balances (Deficit)	<u>175,065</u>	<u>(72,239)</u>	<u>(583,416)</u>	<u>15,879,672</u>
Total Liabilities and Fund Balances	<u>\$ 499,729</u>	<u>\$ 13,964</u>	<u>\$ 266,661</u>	<u>\$ 17,136,872</u>

TOLEDO CITY SCHOOL DISTRICT

Administratively Managed Student Activity	Auxiliary Services Program	Management Information System	Public School Preschool	Data Communication	Vocational Education Enhancement
\$ 299,282	\$ 1,253,064	\$ 29,530	\$ 4,602	\$ 66,982	\$ 9,341
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	3,310	0	1,015
192	1,284	0	0	0	0
0	0	0	0	0	0
<u>\$ 299,474</u>	<u>\$ 1,254,348</u>	<u>\$ 29,530</u>	<u>\$ 7,912</u>	<u>\$ 66,982</u>	<u>\$ 10,356</u>
\$ 2,167	\$ 145,989	\$ 0	\$ 6,289	\$ 32,875	\$ 0
0	155,168	0	0	0	0
0	30,683	0	4,085	0	0
0	353,214	0	31,033	0	3,673
0	0	0	0	0	633
<u>2,167</u>	<u>685,054</u>	<u>0</u>	<u>41,407</u>	<u>32,875</u>	<u>4,306</u>
297,307	569,294	29,530	0	34,107	6,050
0	0	0	(33,495)	0	0
<u>297,307</u>	<u>569,294</u>	<u>29,530</u>	<u>(33,495)</u>	<u>34,107</u>	<u>6,050</u>
<u>\$ 299,474</u>	<u>\$ 1,254,348</u>	<u>\$ 29,530</u>	<u>\$ 7,912</u>	<u>\$ 66,982</u>	<u>\$ 10,356</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012**

	Alternative Schools	Miscellaneous State	Education Jobs	Race to the Top
Assets:				
Cash and Cash Equivalents	\$ 15,652	\$ 15,993	\$ 0	\$ 319,897
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	1,931
Intergovernmental	4,572	49,114	68	2,382,682
Interest	0	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Total Assets	<u>\$ 20,224</u>	<u>\$ 65,107</u>	<u>\$ 68</u>	<u>\$ 2,704,510</u>
Liabilities:				
Accounts Payable	\$ 2,108	\$ 0	\$ 0	\$ 62,812
Accrued Wages and Benefits	6,996	2,954	0	231,433
Intergovernmental Payable	2,801	742	0	77,691
Interfund Loans Payable	0	42,452	0	29,392
Deferred Revenue	4,572	6,846	68	2,153,183
Total Liabilities	<u>16,477</u>	<u>52,994</u>	<u>68</u>	<u>2,554,511</u>
Fund Balances:				
Restricted	3,747	12,113	0	149,999
Unassigned	0	0	0	0
Total Fund Balances (Deficit)	<u>3,747</u>	<u>12,113</u>	<u>0</u>	<u>149,999</u>
Total Liabilities and Fund Balances	<u>\$ 20,224</u>	<u>\$ 65,107</u>	<u>\$ 68</u>	<u>\$ 2,704,510</u>

TOLEDO CITY SCHOOL DISTRICT

Special Education Handicapped	Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped
\$ 130,115	\$ 125,804	\$ 4,847	\$ 535,489	\$ 41,353	\$ 2,913
0	0	0	0	0	0
222	0	0	3,655	0	0
1,048,399	230,596	55,917	4,376,182	0	43,392
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 1,178,736</u>	<u>\$ 356,400</u>	<u>\$ 60,764</u>	<u>\$ 4,915,326</u>	<u>\$ 41,353</u>	<u>\$ 46,305</u>
\$ 45,278	\$ 121,947	\$ 557	\$ 802,295	\$ 0	\$ 0
333,074	42,305	1,103	1,484,532	0	12,107
125,427	19,548	678	241,220	0	3,239
161,165	148,502	2,469	318,394	40,284	23,686
252,074	21	52,200	2,143,994	0	4,690
<u>917,018</u>	<u>332,323</u>	<u>57,007</u>	<u>4,990,435</u>	<u>40,284</u>	<u>43,722</u>
261,718	24,077	3,757	0	1,069	2,583
0	0	0	(75,109)	0	0
<u>261,718</u>	<u>24,077</u>	<u>3,757</u>	<u>(75,109)</u>	<u>1,069</u>	<u>2,583</u>
<u>\$ 1,178,736</u>	<u>\$ 356,400</u>	<u>\$ 60,764</u>	<u>\$ 4,915,326</u>	<u>\$ 41,353</u>	<u>\$ 46,305</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012**

	Improving Teacher Quality	Miscellaneous Federal Grants	Educational Research and Development	Title I School Improvement Stimulus A
Assets:				
Cash and Cash Equivalents	\$ 302,556	\$ 35	\$ 71,706	\$ 73,317
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	1,354,538	0	45,207	614,791
Interest	0	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Total Assets	<u>\$ 1,657,094</u>	<u>\$ 35</u>	<u>\$ 116,913</u>	<u>\$ 688,108</u>
Liabilities:				
Accounts Payable	\$ 37,853	\$ 0	\$ 1,937	\$ 5,784
Accrued Wages and Benefits	221,376	0	1,020	78,173
Intergovernmental Payable	92,752	2,400	627	10,392
Interfund Loans Payable	17,222	72,429	0	39,219
Deferred Revenue	1,235,473	0	41,151	564,791
Total Liabilities	<u>1,604,676</u>	<u>74,829</u>	<u>44,735</u>	<u>698,359</u>
Fund Balances:				
Restricted	52,418	0	72,178	0
Unassigned	0	(74,794)	0	(10,251)
Total Fund Balances (Deficit)	<u>52,418</u>	<u>(74,794)</u>	<u>72,178</u>	<u>(10,251)</u>
Total Liabilities and Fund Balances	<u>\$ 1,657,094</u>	<u>\$ 35</u>	<u>\$ 116,913</u>	<u>\$ 688,108</u>

TOLEDO CITY SCHOOL DISTRICT

Title I School Improvement Stimulus G	Total Nonmajor Special Revenue Funds
\$ 286,128	\$ 19,972,318
0	1,251,339
1,008	12,786
1,222,110	11,436,618
0	9,594
0	263,362
<u>\$ 1,509,246</u>	<u>\$ 32,946,017</u>
\$ 232,639	\$ 1,610,585
417,715	3,056,532
64,023	1,002,241
0	2,114,379
477,424	8,119,455
<u>1,191,801</u>	<u>15,903,192</u>
317,445	17,892,129
0	(849,304)
<u>317,445</u>	<u>17,042,825</u>
<u>\$ 1,509,246</u>	<u>\$ 32,946,017</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, 2012**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 1,026,037
Tuition	0	240,588	0	0
Food Service	753,334	0	0	0
Investment Earnings	0	0	0	51,333
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
Intermediate Sources	0	0	10,200	0
State Sources	214,220	491,680	0	1,289,954
Federal Sources	8,262,204	1,099,486	0	0
Miscellaneous Revenue	77,510	0	1,013,452	0
Total Revenue	9,307,268	1,831,754	1,023,652	2,367,324
Expenditures:				
Current:				
Instruction	0	1,076,001	91,019	0
Support Services	113,773	70,975	1,384,961	846,365
Non-Instructional Services	10,083,589	0	0	0
Extracurricular Activities	0	0	12,130	0
Capital Outlay	0	0	0	333,810
Total Expenditures	10,197,362	1,146,976	1,488,110	1,180,175
Excess (Deficiency) of Revenues Over Expenditures	(890,094)	684,778	(464,458)	1,187,149
Other Financing Sources (Uses):				
Transfers In	717,109	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	717,109	0	0	0
Net Change in Fund Balance	(172,985)	684,778	(464,458)	1,187,149
Fund Balances (Deficit) at Beginning of Year	348,050	(757,017)	(118,958)	14,692,523
Fund Balances (Deficit) End of Year	\$ 175,065	\$ (72,239)	\$ (583,416)	\$ 15,879,672

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	32,096	0	0
0	0	0	0	0	0
506	5,173	0	0	0	0
268,395	0	0	0	0	0
5,998	0	0	0	0	0
0	0	0	0	0	0
0	3,281,070	0	136,000	95,400	20,933
0	0	0	0	0	0
14,090	0	0	0	0	0
<u>288,989</u>	<u>3,286,243</u>	<u>0</u>	<u>168,096</u>	<u>95,400</u>	<u>20,933</u>
676	4,904	0	8,344	0	0
0	169,256	2,230	189,642	162,752	29,868
0	3,094,016	0	0	0	0
437,261	0	0	0	0	0
0	0	0	0	0	0
<u>437,937</u>	<u>3,268,176</u>	<u>2,230</u>	<u>197,986</u>	<u>162,752</u>	<u>29,868</u>
(148,948)	18,067	(2,230)	(29,890)	(67,352)	(8,935)
104,635	4,354	0	0	0	0
(15,082)	0	0	0	0	0
<u>89,553</u>	<u>4,354</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(59,395)	22,421	(2,230)	(29,890)	(67,352)	(8,935)
356,702	546,873	31,760	(3,605)	101,459	14,985
<u>\$ 297,307</u>	<u>\$ 569,294</u>	<u>\$ 29,530</u>	<u>\$ (33,495)</u>	<u>\$ 34,107</u>	<u>\$ 6,050</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, 2012**

	Alternative Schools	Miscellaneous State	Education Jobs	Race to the Top
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
Intermediate Sources	0	0	0	0
State Sources	245,070	69,311	0	0
Federal Sources	0	0	7,578,598	2,631,588
Miscellaneous Revenue	0	0	0	0
Total Revenue	245,070	69,311	7,578,598	2,631,588
Expenditures:				
Current:				
Instruction	118,653	4,000	7,578,598	438,779
Support Services	122,068	50,807	0	2,007,544
Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	240,721	54,807	7,578,598	2,446,323
Excess (Deficiency) of Revenues Over Expenditures	4,349	14,504	0	185,265
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	4,349	14,504	0	185,265
Fund Balances (Deficit) at Beginning of Year	(602)	(2,391)	0	(35,266)
Fund Balances (Deficit) End of Year	\$ 3,747	\$ 12,113	\$ 0	\$ 149,999

TOLEDO CITY SCHOOL DISTRICT

Special Education Handicapped	Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped
\$ 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
0	0	0	0	0	0
7,865,648	1,135,756	77,665	18,858,970	8,167	196,517
0	0	0	0	0	0
<u>7,865,648</u>	<u>1,135,756</u>	<u>77,665</u>	<u>18,858,970</u>	<u>8,167</u>	<u>196,517</u>
2,012,446	629,747	57,914	10,711,789	8,538	11,267
5,369,185	735,848	9,864	6,882,029	0	158,339
198,088	0	0	503,974	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,579,719</u>	<u>1,365,595</u>	<u>67,778</u>	<u>18,097,792</u>	<u>8,538</u>	<u>169,606</u>
285,929	(229,839)	9,887	761,178	(371)	26,911
0	0	0	9	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>0</u>
285,929	(229,839)	9,887	761,187	(371)	26,911
(24,211)	253,916	(6,130)	(836,296)	1,440	(24,328)
<u>\$ 261,718</u>	<u>\$ 24,077</u>	<u>\$ 3,757</u>	<u>\$ (75,109)</u>	<u>\$ 1,069</u>	<u>\$ 2,583</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, 2012***

	Improving Teacher Quality	Miscellaneous Federal Grants	Educational Research and Development	Title I School Improvement Stimulus A
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
Intermediate Sources	0	0	0	0
State Sources	0	0	0	0
Federal Sources	2,564,152	854,914	308,419	1,401,361
Miscellaneous Revenue	0	0	0	0
Total Revenue	<u>2,564,152</u>	<u>854,914</u>	<u>308,419</u>	<u>1,401,361</u>
Expenditures:				
Current:				
Instruction	1,924,504	751,639	1,044	0
Support Services	434,216	50,244	238,068	952,347
Non-Instructional Services	7,133	0	1,941	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>2,365,853</u>	<u>801,883</u>	<u>241,053</u>	<u>952,347</u>
Excess (Deficiency) of Revenues Over Expenditures	198,299	53,031	67,366	449,014
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	198,299	53,031	67,366	449,014
Fund Balances (Deficit) at Beginning of Year	<u>(145,881)</u>	<u>(127,825)</u>	<u>4,812</u>	<u>(459,265)</u>
Fund Balances (Deficit) End of Year	<u>\$ 52,418</u>	<u>\$ (74,794)</u>	<u>\$ 72,178</u>	<u>\$ (10,251)</u>

TOLEDO CITY SCHOOL DISTRICT

Title I School Improvement Stimulus G	Total Nonmajor Special Revenue Funds
\$ 0	\$ 1,026,037
0	272,684
0	753,334
0	57,012
0	268,395
0	5,998
0	10,200
0	5,843,638
5,240,899	58,084,344
0	1,105,052
<u>5,240,899</u>	<u>67,426,694</u>
1,828,484	27,258,346
2,098,229	22,078,610
0	13,888,741
0	449,391
0	333,810
<u>3,926,713</u>	<u>64,008,898</u>
1,314,186	3,417,796
0	826,107
0	(15,082)
<u>0</u>	<u>811,025</u>
1,314,186	4,228,821
(996,741)	12,814,004
<u>\$ 317,445</u>	<u>\$ 17,042,825</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, 2012***

	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>\$ 311,756,730</u>	<u>\$ 338,754,902</u>	<u>\$ 333,861,322</u>	<u>\$ (4,893,580)</u>
Total Expenditures and Other Financing Uses	<u>311,560,001</u>	<u>339,585,238</u>	<u>326,230,787</u>	<u>13,354,451</u>
Net Change in Fund Balances	196,729	(830,336)	7,630,535	8,460,871
Fund Balance at Beginning of Year	623,381	623,381	623,381	0
Prior Year Encumbrances	<u>3,891,958</u>	<u>3,891,958</u>	<u>3,891,958</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,712,068</u>	<u>\$ 3,685,003</u>	<u>\$ 12,145,874</u>	<u>\$ 8,460,871</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2012***

	DEBT SERVICE 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>\$ 28,835,498</u>	<u>\$ 91,464,918</u>	<u>\$ 91,322,678</u>	<u>\$ (142,240)</u>
Total Expenditures and Other Financing Uses	<u>32,658,210</u>	<u>92,721,643</u>	<u>92,225,676</u>	<u>495,967</u>
Net Change in Fund Balances	(3,822,712)	(1,256,725)	(902,998)	353,727
Fund Balance at Beginning of Year	<u>4,592,738</u>	<u>4,592,738</u>	<u>4,592,738</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 770,026</u></u>	<u><u>\$ 3,336,013</u></u>	<u><u>\$ 3,689,740</u></u>	<u><u>\$ 353,727</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects
For the Fiscal Year Ended June 30, 2012***

	LOCALLY FUNDED INITIATIVE 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>\$ 22,879,785</u>	<u>\$ 23,030,154</u>	<u>\$ 398,878</u>	<u>\$(22,631,276)</u>
Total Expenditures and Other Financing Uses	<u>45,208,151</u>	<u>66,775,773</u>	<u>27,870,462</u>	<u>38,905,311</u>
Net Change in Fund Balances	(22,328,366)	(43,745,619)	(27,471,584)	16,274,035
Fund Balance at Beginning of Year	22,328,365	22,328,365	22,328,365	0
Prior Year Encumbrances	<u>21,417,254</u>	<u>21,417,254</u>	<u>21,417,254</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,417,253</u>	<u>\$ 0</u>	<u>\$ 16,274,035</u>	<u>\$ 16,274,035</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects
For the Fiscal Year Ended June 30, 2012***

	CLASSROOM FACILITIES 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>\$ 89,864,937</u>	<u>\$ 37,913,771</u>	<u>\$ 19,506,976</u>	<u>\$ (18,406,795)</u>
Total Expenditures and Other Financing Uses	<u>111,693,659</u>	<u>171,549,765</u>	<u>53,754,940</u>	<u>117,794,825</u>
Net Change in Fund Balances	(21,828,722)	(133,635,994)	(34,247,964)	99,388,030
Fund Balance at Beginning of Year	21,738,721	21,738,721	21,738,721	0
Prior Year Encumbrances	<u>37,913,771</u>	<u>37,913,771</u>	<u>37,913,771</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,823,770</u>	<u>\$(73,983,502)</u>	<u>\$ 25,404,528</u>	<u>\$ 99,388,030</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 9,632,858</u>	<u>\$ 10,410,720</u>	<u>\$ 9,696,936</u>	<u>\$ (713,784)</u>
Total Expenditures and Other Financing Uses	<u>10,408,313</u>	<u>10,410,720</u>	<u>9,899,751</u>	<u>510,969</u>
Net Change in Fund Balances	(775,455)	0	(202,815)	(202,815)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>202,816</u>	<u>202,816</u>	<u>202,816</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (572,639)</u>	<u>\$ 202,816</u>	<u>\$ 1</u>	<u>\$ (202,815)</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 116,400</u>	<u>\$ 139,319</u>	<u>\$ 213,983</u>	<u>\$ 74,664</u>
Total Expenditures and Other Financing Uses	<u>764,854</u>	<u>841,081</u>	<u>182,682</u>	<u>658,399</u>
Net Change in Fund Balances	(648,454)	(701,762)	31,301	733,063
Fund Balance at Beginning of Year	419,770	419,770	419,770	0
Prior Year Encumbrances	<u>70,176</u>	<u>70,176</u>	<u>70,176</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (158,508)</u>	<u>\$ (211,816)</u>	<u>\$ 521,247</u>	<u>\$ 733,063</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 179,870</u>	<u>\$ 194,870</u>	<u>\$ 75,681</u>	<u>\$ (119,189)</u>
Total Expenditures and Other Financing Uses	<u>328,291</u>	<u>363,352</u>	<u>99,318</u>	<u>264,034</u>
Net Change in Fund Balances	(148,421)	(168,482)	(23,637)	144,845
Fund Balance at Beginning of Year	153,712	153,712	153,712	0
Prior Year Encumbrances	<u>20,060</u>	<u>20,060</u>	<u>20,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,351</u>	<u>\$ 5,290</u>	<u>\$ 150,135</u>	<u>\$ 144,845</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,601,250</u>	<u>\$ 1,590,000</u>	<u>\$ 1,857,328</u>	<u>\$ 267,328</u>
Total Expenditures and Other Financing Uses	<u>1,043,553</u>	<u>1,167,754</u>	<u>1,892,676</u>	<u>(724,922)</u>
Net Change in Fund Balances	557,697	422,246	(35,348)	(457,594)
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	<u>35,349</u>	<u>35,349</u>	<u>35,349</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 593,047</u></u>	<u><u>\$ 457,596</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ (457,594)</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 734,533</u>	<u>\$ 1,096,178</u>	<u>\$ 352,505</u>	<u>\$ (743,673)</u>
Total Expenditures and Other Financing Uses	<u>1,576,090</u>	<u>1,887,309</u>	<u>438,810</u>	<u>1,448,499</u>
Net Change in Fund Balances	(841,557)	(791,131)	(86,305)	704,826
Fund Balance at Beginning of Year	566,896	566,896	566,896	0
Prior Year Encumbrances	<u>78,183</u>	<u>78,183</u>	<u>78,183</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (196,478)</u></u>	<u><u>\$ (146,052)</u></u>	<u><u>\$ 558,774</u></u>	<u><u>\$ 704,826</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	OTHER GRANTS 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>\$ 2,025,984</u>	<u>\$ 1,853,364</u>	<u>\$ 1,846,076</u>	<u>\$ (7,288)</u>
Total Expenditures and Other Financing Uses	<u>2,022,819</u>	<u>2,024,760</u>	<u>1,743,662</u>	<u>281,098</u>
Net Change in Fund Balances	3,165	(171,396)	102,414	273,810
Fund Balance at Beginning of Year	120	120	120	0
Prior Year Encumbrances	<u>156,186</u>	<u>156,186</u>	<u>156,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 159,471</u>	<u>\$ (15,090)</u>	<u>\$ 258,720</u>	<u>\$ 273,810</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,140,500</u>	<u>\$ 2,087,500</u>	<u>\$ 2,373,735</u>	<u>\$ 286,235</u>
Total Expenditures and Other Financing Uses	<u>1,500,000</u>	<u>1,999,220</u>	<u>1,349,890</u>	<u>649,330</u>
Net Change in Fund Balances	640,500	88,280	1,023,845	935,565
Fund Balance at Beginning of Year	14,181,166	14,181,166	14,181,166	0
Prior Year Encumbrances	<u>547,321</u>	<u>547,321</u>	<u>547,321</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,368,987</u>	<u>\$ 14,816,767</u>	<u>\$ 15,752,332</u>	<u>\$ 935,565</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, 2012***

ADMINISTRATIVELY MANAGED STUDENT ACTIVITY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 552,790</u>	<u>\$ 582,950</u>	<u>\$ 394,479</u>	<u>\$ (188,471)</u>
Total Expenditures and Other Financing Uses	<u>1,345,330</u>	<u>1,443,739</u>	<u>488,284</u>	<u>955,455</u>
Net Change in Fund Balances	(792,540)	(860,789)	(93,805)	766,984
Fund Balance at Beginning of Year	313,144	313,144	313,144	0
Prior Year Encumbrances	<u>70,689</u>	<u>70,689</u>	<u>70,689</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (408,707)</u>	<u>\$ (476,956)</u>	<u>\$ 290,028</u>	<u>\$ 766,984</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, 2012***

	AUXILIARY SERVICES 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>\$ 673,491</u>	<u>\$ 3,956,988</u>	<u>\$ 3,647,746</u>	<u>\$ (309,242)</u>
Total Expenditures and Other Financing Uses	<u>3,975,319</u>	<u>4,749,889</u>	<u>3,867,813</u>	<u>882,076</u>
Net Change in Fund Balances	(3,301,828)	(792,901)	(220,067)	572,834
Fund Balance at Beginning of Year	47,527	47,527	47,527	0
Prior Year Encumbrances	<u>1,215,455</u>	<u>1,215,455</u>	<u>1,215,455</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,038,846)</u>	<u>\$ 470,081</u>	<u>\$ 1,042,915</u>	<u>\$ 572,834</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, 2012***

	MANAGEMENT INFORMATION SYSTEM 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>\$ 20,671</u>	<u>\$ 20,671</u>	<u>\$ 0</u>	<u>\$ (20,671)</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>2,401</u>	<u>2,230</u>	<u>171</u>
Net Change in Fund Balances	20,671	18,270	(2,230)	(20,500)
Fund Balance at Beginning of Year	<u>31,760</u>	<u>31,760</u>	<u>31,760</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 52,431</u></u>	<u><u>\$ 50,030</u></u>	<u><u>\$ 29,530</u></u>	<u><u>\$ (20,500)</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 150,072</u>	<u>\$ 150,072</u>	<u>\$ 195,819</u>	<u>\$ 45,747</u>
Total Expenditures and Other Financing Uses	<u>144,994</u>	<u>155,950</u>	<u>200,291</u>	<u>(44,341)</u>
Net Change in Fund Balances	5,078	(5,878)	(4,472)	1,406
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>4,474</u>	<u>4,474</u>	<u>4,474</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 9,552</u></u>	<u><u>\$ (1,404)</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 1,406</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 95,400</u>	<u>\$ 95,400</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>81,500</u>	<u>107,900</u>	<u>162,752</u>	<u>(54,852)</u>
Net Change in Fund Balances	(81,500)	(12,500)	(67,352)	(54,852)
Fund Balance at Beginning of Year	88,959	88,959	88,959	0
Prior Year Encumbrances	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,959</u>	<u>\$ 88,959</u>	<u>\$ 34,107</u>	<u>\$ (54,852)</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, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 60,247</u>	<u>\$ 60,247</u>	<u>\$ 24,224</u>	<u>\$ (36,023)</u>
Total Expenditures and Other Financing Uses	<u>57,195</u>	<u>40,276</u>	<u>41,983</u>	<u>(1,707)</u>
Net Change in Fund Balances	3,052	19,971	(17,759)	(37,730)
Fund Balance at Beginning of Year	15,725	15,725	15,725	0
Prior Year Encumbrances	<u>11,175</u>	<u>11,175</u>	<u>11,175</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,952</u>	<u>\$ 46,871</u>	<u>\$ 9,141</u>	<u>\$ (37,730)</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, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 198,008</u>	<u>\$ 198,008</u>	<u>\$ 245,070</u>	<u>\$ 47,062</u>
Total Expenditures and Other Financing Uses	<u>198,087</u>	<u>217,814</u>	<u>243,115</u>	<u>(25,301)</u>
Net Change in Fund Balances	(79)	(19,806)	1,955	21,761
Fund Balance at Beginning of Year	9,970	9,970	9,970	0
Prior Year Encumbrances	<u>1,619</u>	<u>1,619</u>	<u>1,619</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 11,510</u></u>	<u><u>\$ (8,217)</u></u>	<u><u>\$ 13,544</u></u>	<u><u>\$ 21,761</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 141,746</u>	<u>\$ 163,371</u>	<u>\$ 70,339</u>	<u>\$ (93,032)</u>
Total Expenditures and Other Financing Uses	<u>73,183</u>	<u>69,679</u>	<u>69,397</u>	<u>282</u>
Net Change in Fund Balances	68,563	93,692	942	(92,750)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>15,051</u>	<u>15,051</u>	<u>15,051</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 83,614</u>	<u>\$ 108,743</u>	<u>\$ 15,993</u>	<u>\$ (92,750)</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 7,380,565</u>	<u>\$ 7,578,666</u>	<u>\$ 7,578,598</u>	<u>\$ (68)</u>
Total Expenditures and Other Financing Uses	<u>7,380,565</u>	<u>7,578,666</u>	<u>7,578,598</u>	<u>68</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<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, 2012***

	RACE TO THE TOP 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>\$ 4,713,416</u>	<u>\$ 5,996,928</u>	<u>\$ 2,431,481</u>	<u>\$ (3,565,447)</u>
Total Expenditures and Other Financing Uses	<u>4,681,609</u>	<u>4,836,217</u>	<u>2,320,413</u>	<u>2,515,804</u>
Net Change in Fund Balances	31,807	1,160,711	111,068	(1,049,643)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>70,470</u>	<u>70,470</u>	<u>70,470</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 102,277</u>	<u>\$ 1,231,181</u>	<u>\$ 181,538</u>	<u>\$ (1,049,643)</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, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,345,272</u>	<u>\$ 10,001,092</u>	<u>\$ 7,230,488</u>	<u>\$ (2,770,604)</u>
Total Expenditures and Other Financing Uses	<u>8,524,091</u>	<u>9,020,246</u>	<u>7,983,558</u>	<u>1,036,688</u>
Net Change in Fund Balances	(6,178,819)	980,846	(753,070)	(1,733,916)
Fund Balance at Beginning of Year	784,296	784,296	784,296	0
Prior Year Encumbrances	<u>41,962</u>	<u>41,962</u>	<u>41,962</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (5,352,561)</u>	<u>\$ 1,807,104</u>	<u>\$ 73,188</u>	<u>\$ (1,733,916)</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, 2012***

	VOCATIONAL EDUCATION 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>\$ 84,425</u>	<u>\$ 99,312</u>	<u>\$ 1,053,683</u>	<u>\$ 954,371</u>
Total Expenditures and Other Financing Uses	<u>1,126,514</u>	<u>1,488,118</u>	<u>1,426,359</u>	<u>61,759</u>
Net Change in Fund Balances	(1,042,089)	(1,388,806)	(372,676)	1,016,130
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>372,677</u>	<u>372,677</u>	<u>372,677</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (669,412)</u>	<u>\$ (1,016,129)</u>	<u>\$ 1</u>	<u>\$ 1,016,130</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 196,788</u>	<u>\$ 253,392</u>	<u>\$ 76,417</u>	<u>\$ (176,975)</u>
Total Expenditures and Other Financing Uses	<u>120,675</u>	<u>118,264</u>	<u>77,352</u>	<u>40,912</u>
Net Change in Fund Balances	76,113	135,128	(935)	(136,063)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>1,665</u>	<u>1,665</u>	<u>1,665</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 77,778</u>	<u>\$ 136,793</u>	<u>\$ 730</u>	<u>\$ (136,063)</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, 2012***

	TITLE I 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>\$ 2,748,569</u>	<u>\$ 22,375,331</u>	<u>\$ 18,144,897</u>	<u>\$ (4,230,434)</u>
Total Expenditures and Other Financing Uses	<u>23,130,296</u>	<u>23,836,324</u>	<u>18,958,549</u>	<u>4,877,775</u>
Net Change in Fund Balances	(20,381,727)	(1,460,993)	(813,652)	647,341
Fund Balance at Beginning of Year	444,190	444,190	444,190	0
Prior Year Encumbrances	<u>382,030</u>	<u>382,030</u>	<u>382,030</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (19,555,507)</u>	<u>\$ (634,773)</u>	<u>\$ 12,568</u>	<u>\$ 647,341</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 58,220</u>	<u>\$ 58,220</u>	<u>\$ 48,451</u>	<u>\$ (9,769)</u>
Total Expenditures and Other Financing Uses	<u>11,104</u>	<u>13,574</u>	<u>20,674</u>	<u>(7,100)</u>
Net Change in Fund Balances	47,116	44,646	27,777	(16,869)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>13,574</u>	<u>13,574</u>	<u>13,574</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 60,692</u>	<u>\$ 58,222</u>	<u>\$ 41,353</u>	<u>\$ (16,869)</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 224,039</u>	<u>\$ 224,039</u>	<u>\$ 197,402</u>	<u>\$ (26,637)</u>
Total Expenditures and Other Financing Uses	<u>232,700</u>	<u>245,139</u>	<u>197,296</u>	<u>47,843</u>
Net Change in Fund Balances	(8,661)	(21,100)	106	21,206
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>2,807</u>	<u>2,807</u>	<u>2,807</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (5,854)</u>	<u>\$ (18,293)</u>	<u>\$ 2,913</u>	<u>\$ 21,206</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, 2012***

	IMPROVING TEACHER QUALITY 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>\$ 3,806,173</u>	<u>\$ 4,139,253</u>	<u>\$ 2,462,309</u>	<u>\$ (1,676,944)</u>
Total Expenditures and Other Financing Uses	<u>4,244,170</u>	<u>3,847,803</u>	<u>2,522,713</u>	<u>1,325,090</u>
Net Change in Fund Balances	(437,997)	291,450	(60,404)	(351,854)
Fund Balance at Beginning of Year	188,389	188,389	188,389	0
Prior Year Encumbrances	<u>31,909</u>	<u>31,909</u>	<u>31,909</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (217,699)</u>	<u>\$ 511,748</u>	<u>\$ 159,894</u>	<u>\$ (351,854)</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,663,576</u>	<u>\$ 1,663,576</u>	<u>\$ 927,343</u>	<u>\$ (736,233)</u>
Total Expenditures and Other Financing Uses	<u>1,523,517</u>	<u>808,223</u>	<u>927,308</u>	<u>(119,085)</u>
Net Change in Fund Balances	140,059	855,353	35	(855,318)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 140,059</u></u>	<u><u>\$ 855,353</u></u>	<u><u>\$ 35</u></u>	<u><u>\$ (855,318)</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 208,256</u>	<u>\$ 349,570</u>	<u>\$ 304,363</u>	<u>\$ (45,207)</u>
Total Expenditures and Other Financing Uses	<u>219,847</u>	<u>356,425</u>	<u>244,096</u>	<u>112,329</u>
Net Change in Fund Balances	(11,591)	(6,855)	60,267	67,122
Fund Balance at Beginning of Year	4,876	4,876	4,876	0
Prior Year Encumbrances	<u>3,439</u>	<u>3,439</u>	<u>3,439</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (3,276)</u>	<u>\$ 1,460</u>	<u>\$ 68,582</u>	<u>\$ 67,122</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,636,152</u>	<u>\$ 1,989,721</u>	<u>\$ 1,390,580</u>	<u>\$ (599,141)</u>
Total Expenditures and Other Financing Uses	<u>1,539,004</u>	<u>1,661,621</u>	<u>1,435,013</u>	<u>226,608</u>
Net Change in Fund Balances	97,148	328,100	(44,433)	(372,533)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>93,299</u>	<u>93,299</u>	<u>93,299</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 190,447</u>	<u>\$ 421,399</u>	<u>\$ 48,866</u>	<u>\$ (372,533)</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, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 5,718,323</u>	<u>\$ 5,718,323</u>	<u>\$ 4,496,213</u>	<u>\$ (1,222,110)</u>
Total Expenditures and Other Financing Uses	<u>5,718,323</u>	<u>5,718,323</u>	<u>4,472,309</u>	<u>1,246,014</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>23,904</u>	<u>23,904</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 23,904</u></u>	<u><u>\$ 23,904</u></u>

TOLEDO CITY SCHOOL DISTRICT

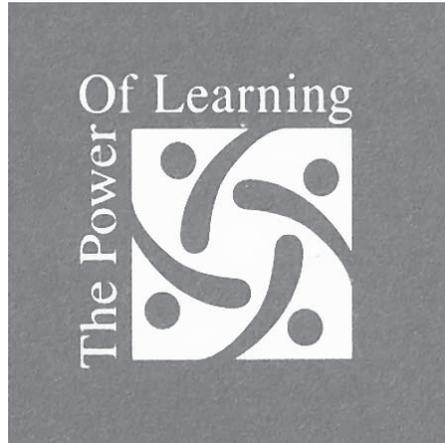
***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2010***

	PERMANENT IMPROVEMENT 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>\$ 85,000</u>	<u>\$ 30,000</u>	<u>\$ 27,770</u>	<u>\$ (2,230)</u>
Total Expenditures and Other Financing Uses	<u>5,968,968</u>	<u>8,758,051</u>	<u>4,491,905</u>	<u>4,266,146</u>
Net Change in Fund Balances	(5,883,968)	(8,728,051)	(4,464,135)	4,263,916
Fund Balance at Beginning of Year	8,072,760	8,072,760	8,072,760	0
Prior Year Encumbrances	<u>2,813,882</u>	<u>2,813,882</u>	<u>2,813,882</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,002,674</u>	<u>\$ 2,158,591</u>	<u>\$ 6,422,507</u>	<u>\$ 4,263,916</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, 2010***

	ENDOWMENTS 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>\$ 16,600</u>	<u>\$ 16,600</u>	<u>\$ 4,300</u>	<u>\$ (12,300)</u>
Total Expenditures and Other Financing Uses	<u>79,700</u>	<u>80,600</u>	<u>18,508</u>	<u>62,092</u>
Net Change in Fund Balances	(63,100)	(64,000)	(14,208)	49,792
Fund Balance at Beginning of Year	809,765	809,765	809,765	0
Prior Year Encumbrances	<u>900</u>	<u>900</u>	<u>900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 747,565</u>	<u>\$ 746,665</u>	<u>\$ 796,457</u>	<u>\$ 49,792</u>



Internal Service Funds

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

Rotary Fund

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

Intra-District Services Fund

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

Health Insurance Fund

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

Computer Network-Class A Fund

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

Workers' Compensation Fund

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

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Net Assets
Internal Service Funds
June 30, 2012***

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
Assets:				
Cash and Cash Equivalents	\$ 15,342	\$ 990,231	\$ 14,327,006	\$ 9,202
Receivables:				
Accounts	0	107,937	0	0
Intergovernmental	0	11,111	0	0
Interest	0	0	6,812	0
Total Assets	<u>15,342</u>	<u>1,109,279</u>	<u>14,333,818</u>	<u>9,202</u>
Liabilities:				
Accounts Payable	0	0	644,387	0
Accrued Wages and Benefits	0	0	5,179,800	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>5,824,187</u>	<u>0</u>
Net Assets:				
Unrestricted	15,342	1,109,279	8,509,631	9,202
Total Net Assets	<u>\$ 15,342</u>	<u>\$ 1,109,279</u>	<u>\$ 8,509,631</u>	<u>\$ 9,202</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 4,310,500	\$ 19,652,281
0	107,937
0	11,111
<u>2,484</u>	<u>9,296</u>
<u>4,312,984</u>	<u>19,780,625</u>
1,910	646,297
0	5,179,800
<u>461,949</u>	<u>461,949</u>
<u>463,859</u>	<u>6,288,046</u>
3,849,125	13,492,579
<u>\$ 3,849,125</u>	<u>\$ 13,492,579</u>

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
Operating Revenues:				
Interfund Charges	\$ 3,718	\$ 553,941	\$ 44,420,267	\$ 0
Total Operating Revenues	<u>3,718</u>	<u>553,941</u>	<u>44,420,267</u>	<u>0</u>
Operating Expenses:				
Personal Services	0	0	327,363	0
Purchased Services	0	0	41,098,173	0
Miscellaneous	4,756	0	0	0
Total Operating Expenses	<u>4,756</u>	<u>0</u>	<u>41,425,536</u>	<u>0</u>
Operating Income (Loss)	(1,038)	553,941	2,994,731	0
Nonoperating Revenue (Expenses):				
Investment Earnings	0	0	44,134	0
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>44,134</u>	<u>0</u>
Change in Net Assets	(1,038)	553,941	3,038,865	0
Net Assets Beginning of Year	16,380	555,338	5,470,766	9,202
Net Assets End of Year	<u>\$ 15,342</u>	<u>\$ 1,109,279</u>	<u>\$ 8,509,631</u>	<u>\$ 9,202</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 2,111,498	\$ 47,089,424
<u>2,111,498</u>	<u>47,089,424</u>
1,279,476	1,606,839
50,370	41,148,543
<u>0</u>	<u>4,756</u>
<u>1,329,846</u>	<u>42,760,138</u>
781,652	4,329,286
<u>15,417</u>	<u>59,551</u>
<u>15,417</u>	<u>59,551</u>
797,069	4,388,837
<u>3,052,056</u>	<u>9,103,742</u>
<u>\$ 3,849,125</u>	<u>\$ 13,492,579</u>

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012***

	Rotary	Intra- District Services	Health Insurance
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	\$3,718	\$549,824	\$44,420,267
Cash Payments to Employees for Services and Benefits	(4,756)	(47,948)	(40,882,549)
Net Cash Provided (Used) by Operating Activities	(1,038)	501,876	3,537,718
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	0	63,447
Net Cash Provided by Investing Activities	0	0	63,447
Net Increase (Decrease) in Cash and Cash Equivalents	(1,038)	501,876	3,601,165
Cash and Cash Equivalents at Beginning of Year	16,380	488,355	10,725,841
Cash and Cash Equivalents at End of Year	\$15,342	\$990,231	\$14,327,006
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$1,038)	\$553,941	\$2,994,731
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	0	(45,415)	0
Decrease in Intergovernmental Receivables	0	2,660	0
Increase (Decrease) in Accounts Payable	0	(9,310)	644,387
Decrease in Accrued Wages and Benefits	0	0	(101,400)
Decrease in Intergovernmental Payables	0	0	0
Total Adjustments	0	(52,065)	542,987
Net Cash Provided (Used) by Operating Activities	(1,038)	\$501,876	\$3,537,718

TOLEDO CITY SCHOOL DISTRICT

Computer Network- Class A	Workers' Compensation	Total
\$0	\$2,111,498	\$47,085,307
0	(1,521,956)	(42,457,209)
0	589,542	4,628,098
0	24,060	87,507
0	24,060	87,507
0	613,602	4,715,605
9,202	3,696,898	14,936,676
\$9,202	\$4,310,500	\$19,652,281
\$0	\$781,652	\$4,329,286
0	0	(45,415)
0	0	2,660
0	(7,857)	627,220
0	0	(101,400)
0	(184,253)	(184,253)
0	(192,110)	298,812
\$0	\$589,542	\$4,628,098

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

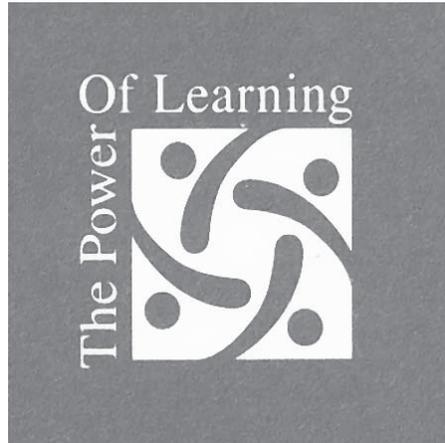
Student Managed Activity Fund

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, 2012***

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<i>Student Managed Activity Fund</i>				
Assets:				
Cash and Cash Equivalents	\$458,764	\$365,952	(\$458,764)	\$365,952
Interest Receivable	1,259	214	(1,259)	214
Total Assets	<u>\$460,023</u>	<u>\$366,166</u>	<u>(\$460,023)</u>	<u>\$366,166</u>
Liabilities:				
Accounts Payable	\$46,601	\$17,493	(\$46,601)	\$17,493
Intergovernmental Payable	589	1,070	(589)	1,070
Due to Students	412,833	347,603	(412,833)	347,603
Total Liabilities	<u>\$460,023</u>	<u>\$366,166</u>	<u>(\$460,023)</u>	<u>\$366,166</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the Districts 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 Assets by Component
Last Ten Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$47,320,939	\$46,451,090	\$44,598,478	\$48,695,909
Restricted for:				
Capital Projects	8,027,026	602,514,840	583,303,915	513,286,796
Debt Service	6,902,023	7,914,287	5,845,920	8,823,771
Permanent Funds:				
Expendable	345,762	328,848	313,819	328,736
Nonexpendable	502,291	502,291	502,291	502,291
Other Purposes	0	12,150,959	10,644,859	17,127,362
Unrestricted (Deficit)	<u>(39,092,774)</u>	<u>(37,951,094)</u>	<u>(35,477,065)</u>	<u>(27,004,696)</u>
Total Governmental Activities Net Assets	<u><u>\$24,005,267</u></u>	<u><u>\$631,911,221</u></u>	<u><u>\$609,732,217</u></u>	<u><u>\$561,760,169</u></u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$47,320,939	\$46,451,090	\$44,598,478	\$48,695,909
Restricted	15,777,102	623,411,225	600,610,804	540,068,956
Unrestricted (Deficit)	<u>(39,092,774)</u>	<u>(37,951,094)</u>	<u>(35,477,065)</u>	<u>(27,004,696)</u>
Total Primary Government Net Assets	<u><u>\$24,005,267</u></u>	<u><u>\$631,911,221</u></u>	<u><u>\$609,732,217</u></u>	<u><u>\$561,760,169</u></u>

Source: District Treasurer's Office

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$248,239,325	\$273,164,202	\$319,887,466	\$295,429,243	\$356,044,033	\$391,566,146
361,944,025	317,693,258	169,137,197	217,877,292	135,580,227	95,015,152
12,115,936	14,372,972	11,705,745	5,725,901	6,055,588	5,413,569
341,333	350,204	343,688	330,522	309,119	293,603
502,291	503,291	503,291	503,291	503,291	503,291
17,864,571	18,876,850	39,034,091	18,185,213	15,138,459	23,724,299
(15,174,793)	(19,858,790)	(56,323,121)	(39,755,783)	(4,891,597)	4,190,775
<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>	<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$520,706,835</u>
\$248,239,325	\$273,164,202	\$319,887,466	\$295,429,243	\$356,044,033	\$391,566,146
392,768,156	351,796,575	220,724,012	242,622,219	157,586,684	124,949,914
(15,174,793)	(19,858,790)	(56,323,121)	(39,755,783)	(4,891,597)	4,190,775
<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>	<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$520,706,835</u>

Toledo Public School District

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

	2003	2004	2005	2006
Expenses				
Governmental Activities				
Instruction	\$222,417,618	\$248,417,336	\$270,471,446	\$292,680,197
Support Services	141,129,502	134,366,560	135,099,356	138,761,857
Non-Instructional Services	25,122,326	25,815,679	27,827,829	19,816,003
Extracurricular Activities	5,360,012	5,362,388	5,262,095	6,333,665
Interest and Fiscal Charges	45,506	5,148,505	7,162,151	7,229,719
<i>Total Primary Government Expenses</i>	<u>\$394,074,964</u>	<u>\$419,110,468</u>	<u>\$445,822,877</u>	<u>\$464,821,441</u>
Program Revenues				
Charges for Services				
Instruction	\$2,694,477	\$5,213,123	\$6,691,740	\$3,461,903
Support Services	6,118,524	6,121,179	5,891,099	9,122,667
Extracurricular Activities	1,737,914	1,488,661	4,722,931	3,515,022
Operating Grants and Contributions	62,289,833	69,932,639	63,212,833	72,027,628
Capital Grants and Contributions	2,658,608	5,746,926	1,403,910	577,516
<i>Total Primary</i>	<u>75,499,356</u>	<u>88,502,528</u>	<u>81,922,513</u>	<u>88,704,736</u>
<i>Government Program Revenues</i>	<u>75,499,356</u>	<u>88,502,528</u>	<u>81,922,513</u>	<u>88,704,736</u>
Net (Expense)/Revenue				
Governmental Activities	(318,575,608)	(330,607,940)	(363,900,364)	(376,116,705)
<i>Total Primary</i>	<u>(318,575,608)</u>	<u>(330,607,940)</u>	<u>(363,900,364)</u>	<u>(376,116,705)</u>
<i>Government Net (Expense)/Revenue</i>	<u>(318,575,608)</u>	<u>(330,607,940)</u>	<u>(363,900,364)</u>	<u>(376,116,705)</u>

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$189,552,656	\$263,193,272	\$261,800,004	\$247,655,446	\$260,842,406	\$236,207,897
133,079,110	133,764,377	135,291,670	132,178,983	121,820,020	114,249,054
27,648,071	25,644,073	26,726,017	23,329,071	25,822,082	16,957,213
4,242,542	5,107,505	5,471,234	5,397,381	3,563,783	2,387,172
6,991,726	6,919,481	6,958,983	8,249,037	6,327,517	6,815,825
<u>\$361,514,105</u>	<u>\$434,628,708</u>	<u>\$436,247,908</u>	<u>\$416,809,918</u>	<u>\$418,375,808</u>	<u>\$376,617,161</u>
\$6,053,787	\$5,290,951	\$4,023,645	\$2,818,840	\$2,738,592	\$2,153,120
13,630,186	13,775,626	16,187,742	11,539,081	10,155,473	8,424,558
3,042,679	2,777,125	2,731,369	2,467,675	1,973,018	1,457,008
89,840,113	95,387,363	102,234,262	71,728,806	74,429,919	46,905,184
241,467	0	0	0	0	13,271,422
<u>112,808,232</u>	<u>117,231,065</u>	<u>125,177,018</u>	<u>88,554,402</u>	<u>89,297,002</u>	<u>72,211,292</u>
<u>(248,705,873)</u>	<u>(317,397,643)</u>	<u>(311,070,890)</u>	<u>(328,255,516)</u>	<u>(329,078,806)</u>	<u>(304,405,869)</u>
<u>(\$248,705,873)</u>	<u>(\$317,397,643)</u>	<u>(\$311,070,890)</u>	<u>(\$328,255,516)</u>	<u>(\$329,078,806)</u>	<u>(\$304,405,869)</u>

Toledo Public School District

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

	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$103,915,412	\$107,245,398	\$106,736,207	\$104,775,512
Special Purposes	631,432	1,152,249	1,258,083	1,196,205
Debt Service	5,764,724	10,924,204	11,700,649	11,621,405
Capital Outlay	4,364,880	4,244,528	4,460,168	4,380,783
Grants and Entitlements not				
Restricted to Specific Programs	192,462,913	202,381,204	210,387,487	197,630,604
Investment Earnings	2,273,113	2,088,128	5,983,334	8,437,563
Miscellaneous	329,592	638,024	1,195,432	102,585
Total Primary Government	\$309,742,066	\$328,673,735	\$341,721,360	\$328,144,657
Change in Net Assets				
Governmental Activities	(\$8,833,542)	(\$1,934,205)	(\$22,179,004)	(\$47,972,048)
Total Primary				
Government Change in Net Assets	(\$8,833,542)	(\$1,934,205)	(\$22,179,004)	(\$47,972,048)

Source: District Treasurer's Office

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$99,468,836	\$89,303,614	\$93,183,415	\$91,408,483	\$95,606,344	\$74,414,156
1,196,598	1,099,423	1,151,977	1,062,637	1,002,932	1,026,037
12,429,284	11,056,591	11,305,429	8,089,438	9,129,011	9,098,250
4,410,854	3,984,819	4,034,149	5,586,245	1,432,954	0
183,776,457	181,133,225	193,207,018	233,261,864	232,087,828	231,488,421
11,334,119	9,683,086	4,587,198	2,590,626	(398,979)	336,955
162,244	406,184	102,225	263,545	662,157	9,765
<u>\$312,778,392</u>	<u>\$296,666,942</u>	<u>\$307,571,411</u>	<u>\$342,262,838</u>	<u>\$339,522,247</u>	<u>\$316,373,584</u>
\$64,072,519	(\$20,730,701)	(\$3,499,479)	\$14,007,322	\$10,443,441	\$11,967,715
<u>\$64,072,519</u>	<u>(\$20,730,701)</u>	<u>(\$3,499,479)</u>	<u>\$14,007,322</u>	<u>\$10,443,441</u>	<u>\$11,967,715</u>

Toledo Public School District

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

	2003	2004	2005	2006
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Unassigned	0	0	0	0
Reserved	17,895,690	14,681,804	16,147,477	8,391,654
Unreserved	<u>(20,506,000)</u>	<u>(24,015,732)</u>	<u>(28,005,685)</u>	<u>(20,963,268)</u>
<i>Total General Fund</i>	<u>(2,610,310)</u>	<u>(9,333,928)</u>	<u>(11,858,208)</u>	<u>(12,571,614)</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	22,401,780	24,704,088	61,721,921	11,261,152
Unreserved, Undesignated in:				
Special Revenue Funds	(2,482,855)	(3,246,820)	(1,804,134)	(1,438,040)
Debt Service Fund	0	7,145,076	4,438,435	7,129,305
Capital Projects Funds	67,880,801	147,612,524	88,974,476	77,119,622
Permanent Fund	<u>345,762</u>	<u>328,848</u>	<u>313,819</u>	<u>328,736</u>
Total All Other Governmental Funds	<u>88,145,488</u>	<u>176,543,716</u>	<u>153,644,517</u>	<u>94,400,775</u>
<i>Total Governmental Funds</i>	<u>\$85,535,178</u>	<u>\$167,209,788</u>	<u>\$141,786,309</u>	<u>\$81,829,161</u>

Source: District Treasurer's Office

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

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$0	\$62,902	\$65,468
0	0	0	0	(10,868,218)	(1,229,421)
13,272,327	13,719,985	13,008,918	12,554,700	0	0
(7,561,390)	1,776	(17,195,736)	(25,259,943)	0	0
<u>5,710,937</u>	<u>13,721,761</u>	<u>(4,186,818)</u>	<u>(12,705,243)</u>	<u>(10,805,316)</u>	<u>(1,163,953)</u>
0	0	0	0	503,291	503,291
0	0	0	0	121,037,616	86,806,823
0	0	0	0	(3,538,516)	(849,304)
58,835,147	69,496,216	38,678,072	79,947,256	0	0
3,671,750	(1,834,973)	7,135,876	10,188,787	0	0
10,450,742	13,863,182	10,920,852	4,797,338	0	0
51,056,444	9,668,289	67,224,903	70,492,241	0	0
341,333	350,204	341,588	326,522	0	0
<u>124,355,416</u>	<u>91,542,918</u>	<u>124,301,291</u>	<u>165,752,144</u>	<u>118,002,391</u>	<u>86,460,810</u>
<u>\$130,066,353</u>	<u>\$105,264,679</u>	<u>\$120,114,473</u>	<u>\$153,046,901</u>	<u>\$107,197,075</u>	<u>\$85,296,857</u>

Toledo Public School District

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

	2003	2004	2005	2006
Revenues:				
Taxes	\$111,319,491	\$116,690,772	\$119,358,742	\$118,721,351
Tuition	2,680,188	5,197,293	3,266,058	3,447,124
Transportation Fees	440,793	469,959	502,116	561,991
Food Services	2,438,348	2,355,774	2,061,867	1,975,570
Investment Earnings	2,049,381	2,078,065	5,955,187	8,344,735
Extracurricular Activities	1,577,542	1,546,319	1,592,106	1,519,804
Class Materials and Fees	454,013	400,782	412,727	378,202
Intermediate Sources	52,690	35,239	20,932	0
Intergovernmental - State	218,580,096	243,734,658	282,962,791	298,841,914
Intergovernmental - Federal	34,184,344	44,480,898	48,193,022	42,192,049
All Other Revenue	3,340,754	3,479,842	10,673,605	8,309,077
Total Revenue	377,117,640	420,469,601	474,999,153	484,291,817
Expenditures:				
Current:				
Instruction	218,665,625	224,080,604	229,062,862	224,652,834
Supporting Services	139,042,662	136,780,343	144,862,597	142,938,752
Non-Instructional Services	26,550,266	27,486,263	27,795,462	23,196,032
Extracurricular Activities	5,237,784	5,149,254	5,166,323	6,326,677
Capital Outlay	9,126,013	37,290,845	77,944,609	136,541,555
Debt Service:				
Principal Retirement	93,000	8,393,000	8,293,000	3,240,506
Interest and Fiscal Charges	419,324	5,769,497	7,297,779	7,357,013
Total Expenditures	399,134,674	444,949,806	500,422,632	544,253,369
Excess (Deficiency) of Revenues Over Expenditures	(22,017,034)	(24,480,205)	(25,423,479)	(59,961,552)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	4,404
Payments to Refunding Bonds Escrow Agent	0	0	0	0
General Obligation Bonds Issued	72,500,000	103,600,000	0	0
Premium on Issuance of General Obligation Bonds	1,627,778	2,554,815	0	0
New Capital Leases	1,953,851	0	0	0
Transfers In	4,694,436	3,684,025	3,186,555	3,556,661
Transfers Out	(4,694,436)	(3,684,025)	(3,186,555)	(3,556,661)
Total Other Financing Sources (Uses)	76,081,629	106,154,815	0	4,404
Net Change in Fund Balance	\$54,064,595	\$81,674,610	(\$25,423,479)	(\$59,957,148)
Debt Service as a Percentage of Noncapital Expenditures	0.13%	3.28%	3.38%	2.24%

Source: District Treasurer's Office

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$120,520,408	\$114,312,225	\$105,699,938	\$101,918,154	\$96,848,838	\$92,962,714
3,708,191	4,130,667	2,889,694	1,882,544	1,996,903	2,139,162
783,273	764,427	809,245	789,969	512,767	380,291
1,869,705	1,791,657	1,664,852	1,402,139	1,053,241	753,334
11,340,272	9,779,617	4,916,848	2,458,103	(359,695)	343,334
1,298,006	1,236,132	1,096,809	1,114,890	875,047	487,122
390,068	331,134	309,764	328,486	120,999	58,356
30,000	60,000	20,000	0	0	10,200
325,177,344	295,700,158	295,597,310	288,513,123	274,473,871	245,334,613
50,008,540	38,934,570	54,073,343	80,117,268	73,165,870	58,919,333
14,795,783	13,948,465	16,274,444	11,481,474	10,238,626	8,262,528
<u>529,921,590</u>	<u>480,989,052</u>	<u>483,352,247</u>	<u>490,006,150</u>	<u>458,926,467</u>	<u>409,650,987</u>
223,368,191	226,968,624	252,993,864	251,020,566	237,995,598	221,413,444
132,585,876	141,432,307	143,794,427	138,912,335	126,115,598	116,235,381
26,451,093	24,870,693	23,917,955	25,184,615	31,025,845	29,646,355
4,064,556	4,871,994	5,282,257	5,289,492	3,467,440	2,282,608
84,731,327	97,176,358	64,251,427	20,583,735	96,128,614	50,477,831
3,265,000	3,330,000	3,415,000	7,835,000	4,260,000	4,395,000
7,119,129	7,047,876	7,229,513	8,361,259	6,446,406	7,568,120
<u>481,585,172</u>	<u>505,697,852</u>	<u>500,884,443</u>	<u>457,187,002</u>	<u>505,439,501</u>	<u>432,018,739</u>
48,336,418	(24,708,800)	(17,532,196)	32,819,148	(46,513,034)	(22,367,752)
30,142	46,765	0	113,280	663,208	0
0	0	0	0	0	(59,595,899)
0	0	31,999,995	0	0	52,555,000
0	0	381,995	0	0	7,508,433
0	0	0	0	0	0
11,650,611	7,277,303	10,417,146	8,429,486	3,575,875	1,282,460
(11,779,979)	(7,416,942)	(10,417,146)	(8,429,486)	(3,575,875)	(1,282,460)
<u>(99,226)</u>	<u>(92,874)</u>	<u>32,381,990</u>	<u>113,280</u>	<u>663,208</u>	<u>467,534</u>
<u>\$48,237,192</u>	<u>(\$24,801,674)</u>	<u>\$14,849,794</u>	<u>\$32,932,428</u>	<u>(\$45,849,826)</u>	<u>(\$21,900,218)</u>
2.94%	2.45%	2.51%	3.90%	2.56%	3.12%

Toledo Public School District

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

Tax year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Real Property					
Assessed	2,305,922	2,314,937	2,658,992	2,693,299	2,675,627
Actual	6,588,349	6,614,106	7,597,120	7,695,140	7,644,649
Public Utility					
Assessed	166,114	177,375	152,422	144,678	136,918
Actual	166,114	177,375	152,422	144,678	136,918
Tangible Personal Property					
Assessed	373,954	345,046	322,160	295,642	281,399
Actual	1,495,816	1,380,184	1,288,640	1,182,568	1,125,596
Total					
Assessed	2,845,990	2,837,358	3,133,574	3,133,619	3,093,944
Actual	8,250,279	8,171,665	9,038,182	9,022,386	8,907,163
Assessed Value as a					
Percentage of Actual Value	34.50%	34.72%	34.67%	34.73%	34.74%
Total Direct Tax Rate					
	\$63.00	\$68.00	\$67.60	\$67.35	\$67.35

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

2007	2008	2009	2010	2011
3,025,038	2,980,687	2,973,109	2,667,357	2,573,582
8,642,966	8,516,249	8,494,597	7,621,020	7,353,091
137,134	138,071	97,072	107,158	114,195
137,134	138,071	97,072	107,158	114,195
210,923	153,551	15,315	7,407	0
1,687,384	2,456,816	153,150	74,070	0
3,373,095	3,272,309	3,085,496	2,781,922	2,687,777
10,467,484	11,111,136	8,744,819	7,802,248	7,467,286
32.22%	29.45%	35.28%	35.66%	35.99%
\$67.10	\$66.90	\$67.70	\$65.70	\$65.70

Toledo Public School District

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

	2002	2003	2004	2005	2006
Direct District Rates					
General Fund	60.50	60.50	60.30	60.05	60.05
Permanent Improvement Fund	2.50	3.00	3.00	3.00	3.00
Bond Retirement Fund	0.00	4.50	4.30	4.30	4.30
Total	<u>63.00</u>	<u>68.00</u>	<u>67.60</u>	<u>67.35</u>	<u>67.35</u>
Overlapping Rates					
Townships:					
Harding	4.30	3.60	3.30	3.00	3.00
Spencer	6.00	6.00	6.00	6.00	6.00
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	17.45	17.45	18.30	18.00	18.00
Total	<u>99.25</u>	<u>103.55</u>	<u>103.70</u>	<u>102.85</u>	<u>102.85</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
59.80	59.80	60.60	61.20	61.20
3.00	3.00	3.00	0.50	0.50
4.30	4.10	4.10	4.00	4.00
<u>67.10</u>	<u>66.90</u>	<u>67.70</u>	<u>65.70</u>	<u>65.70</u>
3.00	4.80	4.80	4.80	4.80
6.00	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
18.00	18.17	18.17	16.17	16.17
<u>102.60</u>	<u>106.37</u>	<u>107.17</u>	<u>103.17</u>	<u>103.17</u>

Toledo Public School District

Principal Taxpayers

Real Estate Tax

(amounts in thousands)

Current Year and Nine Years Ago

Name of Taxpayer	Nature of Business	Calendar Year 2011		
		Assessed Value	Rank	Percent of Total Assessed Value
One Seagate Partners LLC	Realty	\$12,950	1	0.48%
St. Vincent Medical Center	Hospital	12,788	2	0.48%
Toledo Hospital/Promedica	Hospital	7,795	3	0.29%
Empirian	Realty	7,772	4	0.29%
Centro NP Miracle Mile LLC	Realty	6,959	5	0.26%
ERT Southland	Realty	5,791	6	0.22%
University Residences at Westwood	Realty	5,558	7	0.21%
Airport Square Investment	Realty	5,321	8	0.20%
Toledo Office Investment	Realty	3,850	9	0.14%
Toledo Edison	Electric Distribution	3,831	10	0.14%
Subtotal		72,615		2.71%
All Others		2,615,162		97.29%
Total		<u>\$2,687,777</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distribution	\$66,603	1	2.89%
Ohio Bell	Telecommunications	43,083	2	1.87%
Owens-Illinois	Manufacturing	19,335	3	0.84%
Columbia Gas	Utility	15,306	4	0.66%
S-S-C Company	Realty	9,770	5	0.42%
St. Vincent Medical Center	Hospital	8,038	6	0.35%
A.E.R.C.	Realty	7,712	7	0.33%
Toledo Hospital	Hospital	6,921	8	0.30%
Medical College of Ohio	Hospital	6,413	9	0.28%
Dana Corp.	Automotive	5,512	10	0.24%
Subtotal		188,693		8.18%
All Others		2,117,229		91.82%
Total		<u>\$2,305,922</u>		<u>100.00%</u>

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2011 and 2002

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*

Name of Taxpayer	Nature of Business	Calendar Year 2011		
		Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electrical Distribution	\$78,477	1	68.72%
Columbia Gas	Utility	20,892	2	18.30%
American Transmisison, Inc.	Utility	11,063	3	9.69%
Subtotal		110,432		96.71%
All Others		3,763		3.29%
Total		\$114,195		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2002		
		Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electrical Distribution	\$60,861	1	37.02%
Ohio Bell	Utility	40,457	2	24.61%
Columbia Gas	Utility	14,900	3	9.06%
Subtotal		116,218		70.69%
All Others		48,167		29.31%
Total		\$164,385		100.00%

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2011 and 2002

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Tax Levy (1)	\$119,636	\$129,385	\$127,874	\$126,939
Collections within the Fiscal Year of the Levy				
Current Tax Collections (2)	115,839	122,349	125,522	124,222
Percent of Levy Collected	96.83%	94.56%	98.16%	97.86%
Delinquent Tax Collections (3)	<u>5,598</u>	<u>6,778</u>	<u>6,563</u>	<u>6,183</u>
Total Tax Collections	121,437	129,127	132,085	130,405
Percent of Total Tax Collections To Tax Levy	101.51%	99.80%	103.29%	102.73%
Accumulated Outstanding Delinquent Taxes (4)	15,570	16,946	19,187	21,979
Percentage of Accumulated				
Delinquent Taxes to Total Tax Levy	13.01%	13.10%	15.00%	17.31%

- (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.
- (4) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$120,463	\$121,796	\$125,132	\$117,731	\$113,750	\$113,232
117,366	116,283	117,843	99,431	98,171	95,804
97.43%	95.47%	94.17%	84.46%	86.30%	84.61%
<u>7,589</u>	<u>11,023</u>	<u>8,449</u>	<u>8,215</u>	<u>9,032</u>	<u>8,510</u>
124,955	127,306	126,292	107,646	107,203	104,314
103.73%	104.52%	100.93%	91.43%	94.24%	92.12%
24,532	14,411	21,234	20,721	21,545	27,716
20.36%	11.83%	16.97%	17.60%	18.94%	24.48%

Toledo Public School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2003	2004	2005	2006
Governmental Activities ⁽¹⁾				
EPA Long-Term Note Payable	\$226,506	\$133,506	\$40,506	\$0
General Obligation Bonds Payable	74,127,778	171,679,762	163,339,963	160,000,164
Capital Leases	2,040,666	828,655	421,765	221,896
Total Primary Government	<u>\$76,394,950</u>	<u>\$172,641,923</u>	<u>\$163,802,234</u>	<u>\$160,222,060</u>
Population ⁽²⁾				
City of Toledo	313,619	313,619	313,619	313,619
Outstanding Debt Per Capita	\$244	\$550	\$522	\$511
Income				
Personal (in thousands)	9,654,447	9,964,616	9,856,732	9,917,574
Percentage of Personal Income	0.79%	1.73%	1.66%	1.62%

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

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$0	\$0	\$0
156,595,365	153,125,566	181,939,114	173,950,672	169,537,230	164,600,535
0	0	0	0	0	0
<u>\$156,595,365</u>	<u>\$153,125,566</u>	<u>\$181,939,114</u>	<u>\$173,950,672</u>	<u>\$169,537,230</u>	<u>\$164,600,535</u>
313,619	313,619	313,619	287,208	286,038	286,208
\$499	\$488	\$580	\$606	\$593	\$575
10,135,852	10,298,307	10,095,709	6,887,535	5,380,089	5,383,286
1.54%	1.49%	1.80%	2.53%	3.15%	3.06%

Toledo Public School District

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

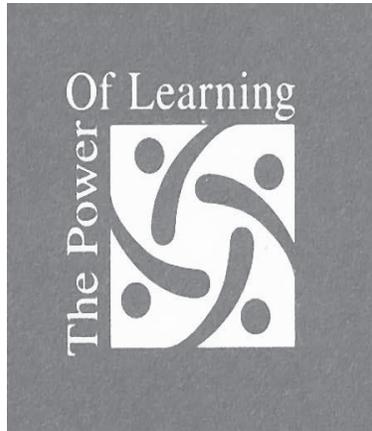
Year	2003	2004	2005	2006
Population (1)	313,619	313,619	313,619	313,619
Assessed Value (2)	\$2,837,358	\$3,133,574	\$3,133,619	\$3,093,946
General Bonded Debt (3)				
General Obligation Bonds	\$74,128	\$171,680	\$163,340	\$160,000
Resources Available to Pay Principal (4)	\$6,929	\$7,611	\$5,070	\$7,669
Net General Bonded Debt	\$67,199	\$164,069	\$158,270	\$152,331
Ratio of Net Bonded Debt to Assessed Actual Value	2.37%	5.24%	5.05%	4.92%
Net Bonded Debt per Capita	\$214	\$523	\$505	\$486

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

2007	2008	2009	2010	2011	2012
313,619	313,619	313,619	287,208	286,038	286,208
\$3,373,095	\$3,272,309	\$3,085,496	\$2,781,922	\$2,687,777	\$2,687,777
\$156,595	\$153,126	\$181,939	\$173,951	\$169,537	\$164,600
\$11,268	\$13,863	\$11,526	\$5,293	\$5,193	\$4,314
\$145,327	\$139,263	\$170,413	\$168,658	\$164,344	\$160,286
4.31%	4.26%	5.52%	6.06%	6.11%	5.96%
\$463	\$444	\$543	\$587	\$575	\$560



Toledo Public School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
(amounts in thousands)
June 30, 2012*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Toledo Public School District	Amount Applicable to Toledo Public School District
Direct:			
Toledo Public School District	\$164,600	100.00%	\$164,600
Overlapping:			
Lucas County	123,946	28.58%	35,429
City of Toledo	138,879	71.42%	99,182
		Subtotal	134,611
		Total	\$299,211

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*

	2002	2003	2004	2005
Net Assessed Valuation	\$2,845,990	\$2,837,358	\$3,133,574	\$3,133,619
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	256,139	255,362	282,022	282,026
Applicable District Debt Outstanding	320	145,227	167,934	159,600
Less: Applicable Debt Service Fund Amounts (2)	(96)	(6,926)	(7,612)	(5,070)
Net Indebtedness Subject to Limitation	<u>224</u>	<u>138,301</u>	<u>160,322</u>	<u>154,530</u>
Overall Legal Debt Margin	<u><u>\$255,915</u></u>	<u><u>\$117,061</u></u>	<u><u>\$121,700</u></u>	<u><u>\$127,496</u></u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	2,846	2,837	3,134	3,134
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$2,846</u></u>	<u><u>\$2,837</u></u>	<u><u>\$3,134</u></u>	<u><u>\$3,134</u></u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	25,614	25,536	28,202	28,203
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>\$25,614</u></u>	<u><u>\$25,536</u></u>	<u><u>\$28,202</u></u>	<u><u>\$28,203</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

2006	2007	2008	2009	2010	2011
\$3,093,944	\$3,373,095	\$3,272,309	\$3,085,496	\$2,781,922	\$2,687,777
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
278,455	303,579	294,508	277,695	250,373	241,900
156,400	153,135	149,805	178,389	170,555	160,070
(7,669)	(11,268)	(13,863)	(11,526)	(5,293)	(5,193)
<u>148,731</u>	<u>141,867</u>	<u>135,942</u>	<u>166,863</u>	<u>165,262</u>	<u>154,877</u>
<u>\$129,724</u>	<u>\$161,712</u>	<u>\$158,566</u>	<u>\$110,832</u>	<u>\$85,111</u>	<u>\$87,023</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
3,094	3,373	3,272	3,085	2,782	2,688
0	0	0	0	0	0
<u>\$3,094</u>	<u>\$3,373</u>	<u>\$3,272</u>	<u>\$3,085</u>	<u>\$2,782</u>	<u>\$2,688</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
27,845	30,358	29,451	27,769	25,037	24,190
0	0	0	0	0	0
<u>\$27,845</u>	<u>\$30,358</u>	<u>\$29,451</u>	<u>\$27,769</u>	<u>\$25,037</u>	<u>\$24,190</u>

Toledo Public School District

*Demographic and Economic Statistics
Last Ten Years*

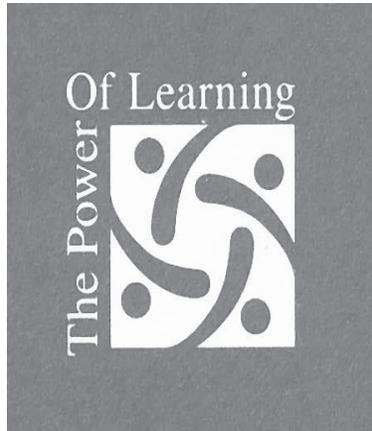
Calendar Year	2002	2003	2004	2005
Population (1)				
City of Toledo	313,619	313,619	313,619	313,619
Lucas County	455,054	455,054	455,054	437,901
Income (2) (a)				
Total Personal (in thousands)	9,535,272	9,654,447	9,964,616	9,856,732
Per Capita	30,404	30,784	31,773	31,429
Unemployment Rate (3)				
Federal	5.8%	6.0%	5.5%	5.0%
State	5.7%	6.1%	6.0%	5.9%
Lucas County	6.9%	7.8%	7.4%	6.9%
Fiscal Year	2003	2004	2005	2006
School Enrollment (4)				
Elementary School (K-5 & K-6 configuration)	20,038	19,230	18,275	16,668
Middle School (6-8 & 7-8 configuration)	5,525	5,324	4,886	4,498
High School (9-12)	9,701	9,485	9,452	9,092
Special (5)	340	277	385	38
Total	<u>35,604</u>	<u>34,316</u>	<u>32,998</u>	<u>30,296</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

2006	2007	2008	2009	2010	2011
313,619	313,619	313,619	313,619	287,208	286,038
437,901	437,901	437,901	437,901	441,815	440,005
9,917,574	10,135,852	10,298,307	10,095,709	6,887,535	5,380,089
31,623	32,319	32,837	32,191	23,981	18,809
4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
5.5%	5.6%	6.6%	10.2%	10.1%	8.6%
6.3%	6.7%	8.3%	12.2%	11.3%	9.7%
2007	2008	2009	2010	2011	2012
13,305	13,100	13,197	13,321	13,748	11,512
6,717	6,297	4,312	3,856	3,249	4,742
8,685	8,269	7,079	6,809	6,680	6,187
352	583	1,204	1,209	642	31
29,059	28,249	25,792	25,195	24,319	22,472



Toledo Public School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	Fiscal Year 2012		
		Number of Employees	Rank	Percentage of Total Employment
Promedica	Medicial Facilities	10,174	1	3.04%
Mercy Health Partners	Medicial Facilities	6,185	2	1.85%
University of Toledo	Education	6,000	3	1.79%
Lucas County	Government	3,700	4	1.10%
Toledo Public Schools	Education	3,644	5	1.09%
Toledo City	Government	2,676	6	0.80%
Kroger Company	Grocery	2,632	7	0.79%
Chrysler Group	Manufacturing	2,470	8	0.74%
Sauder Woodworkings	Manufacturing	2,320	9	0.69%
State of Ohio	Government	2,268	10	0.68%
Total		42,069		12.57%
Total Employment within the District		292,800		87.43%
		334,869		100.00%

Employer	Nature of Business	2003		
		Number of Employees	Rank	Percentage of Total Employment
Promedica	Medicial Facilities	10,000	1	2.77%
Mercy Health Partners	Medicial Facilities	8,854	2	2.45%
Toledo Public Schools	Education	5,658	3	1.57%
University of Toledo	Education	5,000	4	1.38%
Lucas County	Government	4,510	5	1.25%
Food Town	Grocery	4,300	6	1.19%
Daimler-Chrysler	Manufacturing	4,100	7	1.14%
General Motors	Manufacturing	4,092	8	1.13%
Sauder Woodworking	Manufacturing	3,600	9	1.00%
The Andersons	Grain/Retail	3,500	10	0.97%
Total		53,614		14.85%
Total Employment within the District		307,610		85.15%
		361,224		100.00%

Sources:

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

	2003	2004	2005	2006	2007
Supervisory					
Instructional Administrators	51	49	44	40	38
Noninstructional Administrators	66	61	71	67	63
Principals	60	61	66	60	56
Assistant Principals	55	55	46	45	42
Instruction					
Classroom Teachers					
Elementary	1,569	1,456	1,405	1,253	1,188
Middle	395	354	365	340	262
High	674	618	659	638	597
Other	164	152	141	151	156
Student Services					
Guidance Counselors	72	71	71	68	64
Psychologists	25	24	26	25	24
Other Professionals (noninstructional)	36	35	36	36	34
Support Services					
Clerical/Secretaries	358	347	333	312	297
Tutors/Aides	434	414	370	373	345
Food Service	267	265	253	233	219
Maintenance/Grounds	367	349	354	333	326
Transportation	241	206	205	205	202
<i>Total Employees</i>	<u>4,834</u>	<u>4,517</u>	<u>4,445</u>	<u>4,179</u>	<u>3,913</u>

Source: District Treasurer's Office

Toledo Public School District

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
44	45	49	42	29
62	59	68	66	59
51	55	61	52	48
51	39	45	33	33
1,057	1,051	1,249	987	976
299	324	378	321	224
655	540	614	524	484
169	143	175	95	66
67	60	68	63	48
23	28	27	22	25
31	19	38	17	17
311	271	319	235	202
358	324	376	313	310
243	222	253	208	183
346	304	366	299	254
212	194	232	176	168
<u>3,979</u>	<u>3,678</u>	<u>4,318</u>	<u>3,453</u>	<u>3,126</u>

Toledo Public School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Enrollment	35,604	34,316	32,998	30,296	29,059
Modified Accrual Basis					
Operating Expenditures	399,134,674	444,949,806	500,422,632	544,253,369	481,585,172
Cost per Pupil	11,210	12,966	15,165	17,965	16,573
Percentage of Change	14.9%	15.7%	17.0%	18.5%	(7.75%)
Accrual Basis					
Expenses	394,074,964	419,110,468	445,822,877	464,821,441	361,514,105
Cost per Pupil	11,068	12,213	13,511	15,343	12,441
Percentage of Change	6.4%	10.3%	10.6%	13.6%	(18.91%)
Teaching Staff	3,099	3,348	3,276	2,368	2,248
Pupil to Teacher Ratio					
Toledo	13.5	14.1	18.3	18.6	19.5
State Average	16.9	18.5	18.5	18.5	18.5

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

N/A = Not available

Toledo Public School District

2008	2009	2010	2011	2012
28,249	25,792	25,195	24,319	22,472
505,697,852	500,884,443	457,187,002	505,439,501	432,018,739
17,901	19,420	18,146	20,784	19,225
8.02%	8.48%	(6.56%)	14.54%	(7.50%)
434,628,708	436,247,908	416,809,918	418,375,808	376,617,161
15,386	16,914	16,543	17,204	16,759
23.67%	9.93%	(2.19%)	3.99%	(2.58%)
2,201	2,058	2,116	1,927	1,750
18.0	18.0	N/A	N/A	N/A
18.6	18.6	N/A	N/A	N/A

Toledo Public School District

*Operating Indicators by Function
Last Ten Years*

	2003	2004	2005	2006
Governmental Activities				
Instruction				
Regular	29,757	28,540	27,529	24,953
Special	5,847	5,809	5,456	5,343
Support Services				
Pupils				
Enrollment	35,604	34,349	32,985	30,296
Graduates	1,079	1,041	1,171	1,348
Percent of Students with Disabilities	15.90%	16.60%	17.40%	18.30%
Percent of Students with English as Second Language	0.60%	0.30%	0.50%	0.30%
Administration				
School Attendance Rate	93.30%	93.10%	93.20%	93.20%
Fiscal Services				
Purchase Orders Processed	29,352	26,053	25,745	25,218
Checks Issued (non payroll)	30,585	29,349	26,321	26,058
Operation and Maintenance of Plant				
District Square Footage Maintained	6,318,863	6,318,863	6,634,127	6,271,055
District Square Acreage Maintained	145	145	152	144
Pupil Transportation				
Average Daily Students Transported	8,385	7,756	8,642	9,229
Average Daily Bus Fleet Miles	6,253	11,043	11,598	10,348
Number of Buses	174	178	167	171
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	15,285	14,368	13,523	12,667
Free/Reduced Price Meals Daily	13,186	12,550	11,944	11,181
Extracurricular Activities				
High School Varsity Teams	110	114	115	115

Source: District Treasurer's Office

Toledo Public School District

2007	2008	2009	2010	2011	2012
23,767	22,995	21,020	20,358	19,671	19,034
5,292	5,254	4,771	4,837	4,648	4,140
29,059	28,249	25,792	25,195	24,319	23,174
1,519	1,284	1,267	1,303	1,272	1,075
17.90%	18.60%	18.50%	19.20%	19.10%	18.00%
0.50%	1.80%	1.40%	1.50%	2.26%	1.61%
92.30%	95.20%	94.90%	94.90%	94.70%	94.30%
23,753	23,998	23,998	20,917	19,867	16,759
26,369	26,306	26,825	27,187	15,650	19,312
5,533,138	5,449,806	5,588,049	5,588,049	6,263,196	5,183,088
127	125	128	128	144	144
11,182	10,323	11,114	13,269	2,893	3,517
10,711	10,892	10,392	10,125	8,300	8,190
172	162	166	160	124	120
12,833	14,290	14,643	15,089	14,952	18,652
11,247	12,977	13,400	13,206	13,750	17,428
115	115	115	115	48	48

Toledo Public School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Minimum Salary	32,697	32,697	32,697	32,697	32,697
Maximum Salary	65,520	65,520	65,520	65,520	65,520
District Average Salary	45,544	45,949	48,274	49,862	50,294
County Average Salary	46,224	41,964	51,376	53,411	54,696
State Average Salary	45,515	47,495	49,436	50,771	53,534

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2003	2004	2005	2006	2007
Bachelor's Degree	1,844	1,785	1,635	1,101	1,033
Master's Degree	1,240	1,550	1,624	1,254	1,202
Doctorate	15	13	17	13	13
Total	3,099	3,348	3,276	2,368	2,248

Source: District Treasurer's Office

N/A - not available

Toledo Public School District

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

2008	2009	2010	2011	2012
1,010	933	945	824	759
1,180	1,115	1,161	1,095	980
11	10	10	8	11
2,201	2,058	2,116	1,927	1,750

Toledo Public School District

*Capital Asset Statistics by Building
Last Ten Years*

	2003	2004	2005	2006
School Buildings				
High Schools				
Number of Buildings	7	7	7	7
Square Footage	1,977,346	1,977,346	1,977,346	1,977,346
Enrollment	9,701	9,485	9,452	9,092
Junior High Schools *				
Number of Buildings	7	7	7	7
Square Footage	725,903	725,903	725,903	725,903
Enrollment	5,525	5,324	4,886	4,498
Middle Schools *				
Number of Buildings	0	0	0	1
Square Footage	0	0	0	83,299
Enrollment	0	0	0	521
Elementary Schools				
Number of Buildings	44	44	44	44
Square Footage	2,581,410	2,581,410	2,581,410	2,376,163
Enrollment	20,038	19,230	18,275	16,668
Special Schools				
Number of Buildings	14	14	14	11
Square Footage	823,914	823,914	823,914	582,790
Enrollment	340	277	385	313
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	119,986	119,986	119,986	119,986

Source: District Treasurer's Office

* Restructuring program began in 2006, completed in 2008.

Toledo Public School District

2007	2008	2009	2010	2011	2012
7	7	7	7	7	7
1,793,255	1,943,186	1,947,738	1,947,738	1,947,738	1,798,771
8,685	8,272	7,079	6,809	6,680	6,187
6	0	0	0	0	0
634,563	0	0	0	0	0
5,353	0	0	0	0	0
2	7	7	7	7	0
179,743	652,097	622,321	622,321	622,321	0
1,206	4,346	4,312	3,856	3,249	0
37	37	37	37	37	42
2,327,553	2,290,095	2,453,562	2,453,562	2,453,562	2,530,620
15,468	12,860	13,196	13,321	13,748	15,685
8	8	8	8	8	8
372,463	358,143	358,143	358,143	358,143	358,143
359	2,770	1,204	1,209	642	600
79,354	79,354	79,354	79,354	79,354	79,354
10,950	10,950	10,950	10,950	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*

	2003	2004	2005	2006
Governmental Activities				
Instruction				
Land and Improvements	\$17,186,218	\$17,930,709	\$21,401,277	\$21,237,747
Buildings and Improvements	97,370,855	98,807,735	98,448,522	124,467,992
Machinery and Equipment	767,167	820,189	1,080,631	1,422,417
Vehicles	265,561	265,561	372,411	372,411
Construction In Progress	2,848,748	12,191,262	45,957,833	84,155,459
Administration				
Land and Improvements	565,488	565,488	565,488	207,367
Buildings and Improvements	4,228,050	4,228,050	4,228,050	1,028,140
Machinery and Equipment	2,025,156	2,348,835	3,705,058	3,690,836
Vehicles	0	0	0	0
Operations and Maintenance of Plant				
Land and Improvements	411,952	411,953	411,953	411,953
Buildings and Improvements	1,502,625	1,502,625	1,502,625	1,502,625
Machinery and Equipment	467,244	1,398,411	1,731,391	2,212,966
Vehicles	1,512,200	1,530,343	1,530,343	1,575,448
Transportation Services				
Land and Improvements	584,422	584,422	584,422	584,422
Buildings and Improvements	207,077	207,077	207,077	207,077
Machinery and Equipment	42,700	42,700	42,700	42,700
Vehicles	7,456,491	7,552,128	7,552,128	7,552,128
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	3,199,962
Machinery and Equipment	1,267,426	1,316,505	1,316,505	1,261,155
Extracurricular Activities				
Land and Improvements	0	0	0	140,221
Buildings and Improvements	0	0	0	4,046,768
Machinery and Equipment	0	0	5,204	284,226

Source: District Treasurer's Office

Toledo Public School District

2007	2008	2009	2010	2011	2012
\$21,206,948	\$21,221,762	\$20,918,762	\$20,918,761	\$20,918,761	\$21,444,762
180,471,518	303,328,623	392,702,165	452,882,180	480,007,471	590,026,000
1,679,106	2,026,764	2,226,144	2,772,922	2,954,554	3,245,394
372,412	372,412	421,335	421,335	421,335	465,344
151,589,221	96,291,759	75,436,367	41,441,727	94,921,281	10,865,779
207,367	207,367	207,367	207,367	207,367	207,367
4,001,663	8,943,955	16,073,559	9,609,275	10,963,164	10,963,164
3,849,683	4,043,960	4,181,127	4,382,103	4,416,260	4,482,758
0	0	0	28,631	157,931	157,931
411,952	411,952	411,952	411,952	411,952	411,952
1,502,625	1,502,625	1,502,625	1,502,625	1,504,498	1,504,498
2,316,700	2,391,276	2,017,143	2,031,520	2,109,652	2,109,652
1,643,155	1,789,849	1,790,269	1,816,428	1,488,754	1,143,127
584,422	584,422	584,422	584,422	584,422	58,422
207,077	207,077	207,077	207,077	207,077	207,077
42,700	42,700	54,943	54,943	54,943	54,943
7,912,620	8,053,881	8,551,578	8,710,085	8,303,498	8,561,106
127,175	127,175	127,175	127,175	127,175	127,175
4,046,820	4,046,820	4,046,820	4,046,820	4,046,820	4,046,820
1,251,855	1,168,102	1,176,061	1,069,348	981,930	981,930
140,221	140,221	140,221	140,221	140,221	140,221
3,199,910	3,199,910	3,199,910	3,199,910	3,199,910	3,199,910
284,226	284,226	284,226	284,226	284,226	284,226

Toledo Public School District

*Educational and Operating Statistics
Last Ten Years*

	2003	2004	2005	2006	2007
Cost per Student (ODE)					
Toledo	9,980	10,279	10,604	11,202	11,209
Ohio (Average)	8,441	8,768	9,048	9,356	9,586
Attendance Rate					
Toledo	93.30%	93.10%	93.20%	93.20%	92.30%
Ohio (Average)	94.90%	95.30%	95.20%	94.10%	94.10%
Graduation Rate					
Toledo	70.40%	70.40%	80.20%	90.40%	87.60%
Ohio (Average)	83.90%	84.30%	85.90%	86.20%	86.90%

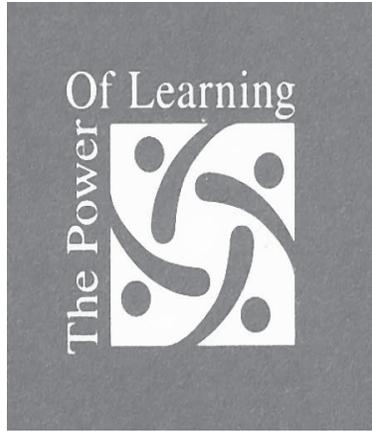
Source:

District's Student Records and Ohio Department of Education

N/A = Not available

Toledo Public School District

2008	2009	2010	2011	2012
10,770	12,008	13,544	13,859	12,471
9,939	10,184	10,512	10,571	10,571
95.20%	94.90%	N/A	94.70%	94.30%
94.20%	94.30%	94.30%	94.50%	94.50%
N/A	N/A	N/A	80.50%	N/A
N/A	84.60%	84.60%	84.30%	84.30%





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
APRIL 9, 2013