



Dave Yost • Auditor of State



**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

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**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>FEDERAL GRANTOR</b>	Federal		
<i>Pass Through Grantor</i>	CFDA		
<u>Program Title</u>	<u>Number</u>	<u>Receipts</u>	<u>Disbursements</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education:</i>			
Fruit and Vegetable Program			
Fruit and Vegetable Program	10.582	\$ 123,538	\$ 123,538
<u>Child Nutrition Cluster:</u>			
School Breakfast Program			
School Breakfast Program (Non-Cash Assistance)	10.553	60,231	118,600
School Breakfast Program	10.553	2,215,824	2,215,824
<i>Total CFDA #10.553</i>		<u>2,276,055</u>	<u>2,334,424</u>
National School Lunch Program			
National School Lunch Program ( Non-Cash Assistance)	10.555	201,644	397,053
National School Lunch Program	10.555	7,323,467	7,323,467
<i>Total CFDA #10.555</i>		<u>7,525,111</u>	<u>7,720,520</u>
<i>Total Child Nutrition Cluster</i>		<u>9,801,166</u>	<u>10,054,944</u>
<i>Total U.S. Department of Agriculture</i>		<u><b>9,924,704</b></u>	<u><b>10,178,482</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs:			
<u>Student Financial Assistance Cluster:</u>			
Federal Pell Grant Program	84.063		
LPN Pell Grant FY-14		25,525	25,525
LPN Pell Grant FY-15		431,412	431,412
<i>Total Federal Pell Grant Program</i>		<u>456,937</u>	<u>456,937</u>
Federal Family Education Loan Program:	84.268		
Adult Education		1,166,027	1,217,964
<i>Total U.S. Department of Education - Direct Programs</i>		<u>1,622,964</u>	<u>1,674,901</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-14		598,991	931,364
Special Education IDEA, Part B FY15		5,005,861	5,029,488
<i>Total Special Education Grants to States</i>		<u>5,604,852</u>	<u>5,960,852</u>
Special Education Preschool Grants	84.173		
Preschool Grant FY-14		6,261	11,994
Preschool Grant FY-15		140,683	190,129
<i>Total CFDA #84.173</i>		<u>146,944</u>	<u>202,123</u>
<i>Total Special Education Cluster</i>		5,751,796	6,162,975
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants			
ARRA - Race to the Top FY-14	84.395	1,079,335	1,456,723

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Title I:</u>	84.010		
Title I Grants to Local Educational Agencies-FY 13			
Title I Grants to Local Educational Agencies-FY 14		5,798,643	5,533,376
Title I Grants to Local Educational Agencies-FY 15		14,144,170	14,434,617
<i>Total Title I</i>		<u>19,942,813</u>	<u>19,967,993</u>
 Vocational Education Basic Grants to States	 84.048		
Adult FY 14		211,040	278,499
Adult FY 15		806,390	856,525
<i>Total Vocational Education Basic Grants to States</i>		<u>1,017,430</u>	<u>1,135,024</u>
 Education for Homeless Children and Youth	 84.196		
FY 14		8,899	11,061
FY 15		181,210	200,208
<i>Total Education for Homeless Children and Youth</i>		<u>190,109</u>	<u>211,269</u>
 Improving Teacher Quality State Grants	 84.367		
Improving Teacher Quality FY14			132,479
Improving Teacher Quality FY15		2,216,408	2,771,785
<i>Total Improving Teacher Quality State Grants</i>		<u>2,216,408</u>	<u>2,904,264</u>
 English Language Acquisition Grants	 84.365		
Limited English Grant FY 14		6,249	8,329
Limited English Grant FY 15		65,228	69,851
<i>Total English Language Acquisition Grants</i>		<u>71,477</u>	<u>78,180</u>
 Twenty-First Century Grant	 84.287		
21st Century		326,698	371,356
 <u>School Improvement Cluster:</u>			
School Improvement Competitive	84.377	1,268,664	1,350,829
<i>Total U.S. Department of Education - Pass Through Programs</i>		<u>31,864,730</u>	<u>33,638,613</u>
Total U.S. Department of Education		<u><b>33,487,694</b></u>	<u><b>35,313,514</b></u>
 <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Direct Program:			
Head Start			
Head Start FY 15	93.600	6,857,871	6,895,399
<i>Total U.S. Department of Health and Human Services</i>		<u>6,857,871</u>	<u>6,895,399</u>
 <b>U.S. DEPARTMENT OF LABOR</b>			
Direct Program:			
Youth Career Connect			
Youth Career FY 15	17.274	329,986	359,505
<i>Total U.S. Department of Labor</i>		<u>329,986</u>	<u>359,505</u>
 <b>Total Federal Awards Receipts and Expenditures</b>		<u><b>\$ 43,412,398</b></u>	<u><b>\$ 52,746,900</b></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 entitlement 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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# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2015 wherein we noted the District adopted Governmental Accounting Standard No. 68 and Statement No. 71 during the year. Our Report also noted the District restated certain balances due to expenditure posting errors.

### ***Internal Control Over Financial Reporting***

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

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

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. We consider findings 2015-002 and 2015-003 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2015-001 described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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:

### ***Report on Compliance for Each Major Federal Program***

We have audited Toledo City School District, Lucas County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Toledo City School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings and questioned costs identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Child Nutrition Cluster, Special Education Cluster, Title I, Improving Teacher Quality, and Head Start***

As described in Findings 2015-006 through 2015-009 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2015-006	10.553/10.555	Child Nutrition Cluster	Allowable Cost
2015-006	84.027/84.173	Special Education Cluster	Allowable Cost
2015-006	84.010	Title I	Allowable Cost
2015-006	84.367	Improving Teacher Quality	Allowable Cost
2015-006	93.600	Head Start	Allowable Cost
2015-007	84.010	Title I	Equipment and Real Property Management
2015-008	84.010	Title I	Special Tests and Provisions
2015-009	84.027/84.173	Special Education Cluster	Equipment and Real Property Management

Compliance with these requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

***Qualified Opinion on Child Nutrition Cluster, Special Education Cluster, Title I, Improving Teacher Quality, and Head Start***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster, Special Education Cluster, Title I, Improving Teacher Quality, and Head Start* paragraph, Toledo City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Child Nutrition Cluster, Special Education Cluster, Title I, Improving Teacher Quality, and Head Start for the year ended June 30, 2015.

***Report on Internal Control Over Compliance***

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

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 material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

**Report on Internal Control Over Compliance – (Continued)**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-004 through 2015-009 to be material weaknesses.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133**

We have also audited 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 30, 2015, wherein we noted the District adopted *Governmental Accounting Standard No. 68 and Statement No. 71* during the year. Our Report also noted the District restated certain balances due to expenditure posting errors. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015

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TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2015

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material 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)?	No
<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	Qualified – all 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, and 84.173 Special Education Cluster, CFDA # 84.010 Title I, CFDA # 84.367 Improving Teacher Quality, CFDA # 93.600 Head Start
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 1,582,407 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 2015-001**

**Capital Assets**

**Significant Deficiency**

According to Generally Accepted Accounting Principles (GAAP)

- The District should account for the acquisition and renovation of new buildings and related improvements in a separate Construction in Progress (CIP) fund as a non-depreciable asset until the asset is placed in service.

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;
- 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 District did not utilize a separate Construction in Progress (CIP) fund for non-depreciable assets until the asset is placed in service for improvements made at Summit building.
- Numerous problems were detected in these spreadsheets including improper carry forward of book value (over or under depreciated); improper carry forward of asset life; depreciation expense taken in excess of the asset's depreciable basis;
- 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 form documentation for the deletion of assets from the asset spreadsheets was incomplete.

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.

This was due to the District's lack of oversight in ensuring that their capital assets policy was followed as well as Generally Accepted Accounting Principles.

To correct the noted conditions we recommend the District:

- Obtain and implement capital asset software for calculating depreciation expense, inventory, and asset book value;
- Segregate all assets not yet placed in service and report separately as non-depreciable Construction in Progress.
- 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;
- Complete disposal forms for the disposal of assets with adequate documentation to support the disposal.

#### **FINDING NUMBER 2015-002**

##### **Posting Errors**

##### **Material Weakness**

Posting errors were identified in the Governmental Accounting Standard No. 68 restatement footnote.

This was due to lack of oversight by the District when posting journal entries to the accounting system.

Journal entries were prepared by the District in the amount of \$4,827,915 that were not properly posted in the District's accounting system.

This resulted in an overstatement of Net Position in the General Fund and an understatement of Net Position for the Locally Funded Initiative Fund, Classroom Facilities Fund, Other Governmental Funds, Internal Service Funds, and the Private Purpose Trust Funds on the Statement of Net position. These errors were corrected by the District as part of the restatement made to beginning Net Position.

We recommend the District's management review all journal entries that are prepared by the District and ensure they are properly posted to the District's accounting system.

#### **FINDING NUMBER 2015-003**

##### **Payroll Disbursements**

##### **Material Weakness**

Contracts, timesheets, and withholding forms were not provided for all employees tested. Thirty-Seven employees were selected for sampling, six of those employees did not have a contract on file, four of those employees did not have timesheets, and two of those employees did not have tax and pension withholding forms on file. Although these items were missing we were able to determine proper compensation was paid.

This was due to the District's lack of oversight in monitoring employee personnel files and ensuring timesheets were submitted when applicable.

All District employees should be paid based on the Board approved pay scale or contract and according to the hours listed on each employees' time sheet if applicable. Contracts should be signed and maintained in personnel files for every employee that is required to have a contract. Timesheets should be signed weekly for any time worked during the pay period.

Ensuring that supporting documentation for employee pay and withholdings is obtained, reviewed, and retained is a control over the payroll process. Lack of signed contracts, timesheets, and withholding authorization forms could result in a fictitious employee. A lack of proper documentation showing the authorization of pay and withholdings could result in a misappropriation of assets.

To maintain adequate monitoring controls over payroll disbursements and withholdings and to reduce the possibility of misappropriation of assets from the District's funds, we recommend the Treasurer/Board do the following:

- Maintain signed contracts for those employees that are required to have contracts,
- Maintain signed timesheets for the employees that are paid on an hourly basis for regular time or overtime,
- Maintain signed authorization forms for the employee's retirement system and payroll tax.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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**Child Nutrition Non-Payroll Disbursements**

<b>Finding Number</b>	2015-004
<b>CFDA Title and Number</b>	Child Nutrition Cluster – CFDA # 10.553/10.555
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Ohio Department of Education

**Material Weakness**

Sales tax was paid on an Invoice and one other invoice was paid in the wrong amount by the District.

This was due to the District not establishing policies and procedures to ensure all invoices being paid are correctly calculated and no sales tax is being charged due to the District not being required to pay sales tax.

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 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.

**Child Nutrition Program Income**

<b>Finding Number</b>	2015-005
<b>CFDA Title and Number</b>	Child Nutrition Cluster – CFDA # 10.553/10.555
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Ohio Department of Education

**Material Weakness**

The District collects money from students for breakfast meals, lunch meals, and ala carte 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 controls to ensure that the correct rates are charged to students related to the food service program. For 20 percent of transactions tested, the District did not maintain correct 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 that all receipts collected are supported as to products sold and amounts collected.

**Federal Payroll Disbursements**

<b>Finding Number</b>	2015-006
<b>CFDA Title and Number</b>	All Major Programs
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education/U.S. Department of Agriculture/ U. S. Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Education

**Questioned Cost/Noncompliance/Material Weakness**

**2CFR, Appendix B to Part 225(8)(h)** 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.

In addition, signed contracts were not returned and obtained by the District for some of the employees who are part of the Toledo Association of Administrative Personnel and Toledo Federation of Teachers

Unions. 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.

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

The following conditions exist over the District's 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;
- Time and effort forms or semi-annual certifications were not always completed in a timely fashion.

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

Program	CFDA	Amount
Child Nutrition Cluster	10.553/10.555	\$1,316
Special Education Cluster	84.027/84.173	10,143
Title I	84.010	7,657
Improving Teacher Quality	84.367	2,831
Head Start	93.600	8,782

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;
- 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.

We also 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.

**Title I Equipment**

<b>Finding Number</b>	2015-007
<b>CFDA Title and Number</b>	Title I – CFDA # 84.010
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

**Noncompliance/Material Weakness**

**2 CFR §200.313 (d)(1)** provides that property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

The District maintained two separate equipment listings for the Title I federal program. However, the District did not include the purchase of 6,000 Chromebooks upon either of the Title I equipment listings. The Chromebook listing that was obtained did not contain the acquisition date or the cost of the property. As a part of the Chromebook listing, the District also failed to include software that was purchased for the Chromebooks and would enhance the value of the asset.

This was due to the District's lack of oversight in monitoring the equipment listing and ensuring completeness of the listing.

We recommend the District maintain one equipment listing for the Title I federal program. The District should also ensure that they include all of the required information on the equipment listing maintained to ensure assets are properly accounted for within the Title I equipment listing.

**Highly Qualified Teachers**

<b>Finding Number</b>	2015-008
<b>CFDA Title and Number</b>	Title I – CFDA # 84.010
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

**Noncompliance/Material Weakness**

34 CFR Section 200.55 requires an LEA to ensure that any teacher whom it hires to teach a core academic subject and who worked in a program supported with Title I, Part A funds is highly qualified. This requirement applies to teachers in Title I targeted assistance programs who teach a core academic subject and are paid with Title I, Part A funds and to all teachers who teach a core academic subject in a Title I school wide 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. The District relies on the school principals to ensure that all Highly Qualified Teacher Status forms are submitted.

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

The following conditions existed for 74% of employees tested for Highly Qualified Teacher Status:

- Forms were not always complete in identifying that the teacher meets Highly Qualified Teacher criteria;
- Supporting Documentation was not maintained evidencing that the teacher met the Highly Qualified Teacher criteria.

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 implement procedures to ensure all required teachers are filling out Highly Qualified Teacher Status forms;
- Throughout the year, there should be occasional supervisory review to ensure procedures are being performed as intended,

**Special Education Equipment Listing**

<b>Finding Number</b>	2015-009
<b>CFDA Title and Number</b>	Special Education Cluster – CFDA # 84.027/84.173
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

**Noncompliance/Material Weakness**

**34CFR § 80.32 (d-e) requires that:**

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property,
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property.
- (4) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(5) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(a) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(b) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

There has been no inventory completed within the last three years for Special Education.

This was due to the District's lack of oversight in ensuring that all Federal compliance requirements are met relating to Special Education inventory.

We recommend the District establish procedures for equipment management, including the above requirements, for the Federal programs that require equipment management.

**Officials' Response:**

We did not receive a response from Officials to the above findings.

TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2014-001	Significant deficiency because the District did not follow Capital Asset Policy.	No	Not corrected and re-issued as Finding 2015-001.
2014-002	Material federal control weakness due to lack of controls over child nutrition program income.	No	Not corrected and re-issued as Finding 2015-005.
2014-003	Questioned costs of \$24,440 due to federal payroll disbursements not being supported by 2 CFR, Part 225.	No	Not corrected and re-issued as Finding 2015-006.
2014-004	<b>34CFR Subtitle A §80.32(d)</b> for the District not maintaining a federal equipment listing.	No	Not corrected and re-issued as Finding 2015-009.

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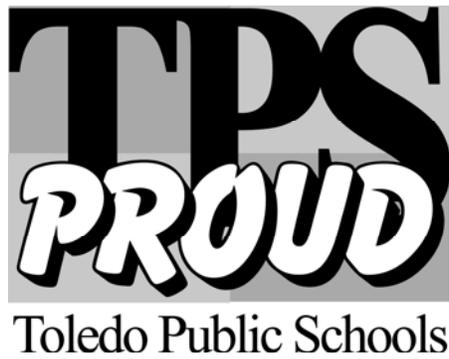
**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
JUNE 30, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-004	The District will be more diligent when reviewing and approving expenditures made using federal funds in an effort to avoid making unallowable expenditures in the future.	6/30/2016	Rick Reucher, Director of Accounting and Finance
2015-005	The District is continuing work on a point of sale system in the elementary schools. Further education will be provided to food service workers.	6/30/2016	James Gant, Business Manager
2015-006	The District has started to complete time and effort forms by pay ending date, not pay date. Time card online has been implemented in the District's HR and payroll software which should help with employee compliance. Time and effort certifications are being collected semi-monthly now.	6/30/2016	Wendy Garczynski, Acting Director of OMB
2015-007	The District completed an inventory in 2015. The results have been entered into the Fixed Assets module of the District's accounting software.	6/30/2016	Rick Reucher. Director of Finance and Accounting
2015-008	The District will re-instate the process to track information related to Highly Qualified Teachers and ensure proper supporting paperwork is collected in a timely manner.	6/30/2016	C. Spieldenner, Director of HR
2015-009	The District completed an inventory in 2015. The results have been entered into the Fixed Assets module of the District's accounting software.	6/30/2016	Rick Reucher. Director of Finance and Accounting

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*Lucas County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2015

*Lucas County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

*Prepared by:*  
Mr. Ryan Stechschulte, Treasurer

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LUCAS COUNTY, OHIO**

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## *INTRODUCTORY SECTION*

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Toledo Public Schools



# 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

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December 30, 2015

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, 2015, 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 Independent Auditor's Report.

Following a long period of enrollment declines as a result of demographic decline and competition from charter school and scholarship tuition programs, the District has seen an increase in student enrollment for FY15, and projects flat enrollment going forward. As of October 2014, the School District had 21,308 students (compared to 21,255 as of October 2013) enrolled in its 42 K-8 schools, 7 senior high schools and 8 education/specialized learning centers (which provide special curriculums and vocational education and skills programs), making it the fourth largest public school system in the State. For the current academic year the average class size is 29 students (for grades 1 through 8), and the average pupil/teacher ratio 12:1. The average building is six years old.

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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The District employs (full- and part-time) 2,023 professional staff members and 1,329 nonteaching and support staff employees. Approximately 56% of the members of the teaching staff have master's degrees, and 1% of the teaching staff has doctorates. The District's faculty has an average of 14.8 years' teaching experience. The District also operates a central office facility, a maintenance center, a central kitchen, a warehouse and a transportation depot.

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

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

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

### **ECONOMIC CONDITIONS AND OUTLOOK –**

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

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2015***

---

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

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

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

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

## **SIGNIFICANT ACCOMPLISHMENTS FOR THE YEAR**

### **Passage of Issue 1**

Toledo voters overwhelmingly supported the District on Election Day 2014 with the passage of Issue 1, a new 5.8 mill levy that will cost a homeowner with a \$60,000 home approximately \$10 per month. Of that total amount, 4.3 mills are designated for operations and the remaining 1.5 mills would be designated for permanent improvements.

The levy funds will be used to:

- Restore bus transportation for K-12 students that was eliminated in 2010 – bus transportation will improve student attendance and safety and also benefit parochial and charter school families.
- Support competitive salaries to attract and retain the most qualified teachers, administrators and staff – TPS is currently the lowest-paying urban district in Ohio and among the lowest in our region.
- Pay for on-going maintenance and repairs to existing facilities and updating our instructional technology.
- The approximately \$13.3 million is the first new money for the district since 2001. The levy is for five years. With the passage of Issue 1, TPS will not be on the ballot again until 2018 when current tax levies are due to be renewed.

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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#### **Partnerships**

The District has worked diligently to develop partnerships with community, business and parent organizations in an effort to support its schools and meet the needs of its students. The District's community partners provide various kinds of support, including tutoring, mentoring and providing shadowing days for students in both elementary and secondary schools, donating such items as warm winter coats and boots and school supplies and hosting pizza parties and providing other rewards and incentives for students' academic performance and achievements.

Beginning with the 2015-16 school year, each TPS school now has a full-time nurse on staff thanks to the financial support of ProMedica Health Systems, one of the major healthcare providers in northwest Ohio. In the past, nurses travelled between more than one school to support the medical needs of students. A wellness plan has been developed for each with measurable outcomes. The data will be compiled and shared with ProMedica officials in an effort to prove the importance of having a healthcare provider available to students each day in their school.

Toledo Public Schools is also working with the University of Toledo to introduce a new educational track for graduating seniors and older adults who are rethinking their career goals. Teach Toledo is geared toward students achieving an Associate's Degree and then continuing with two more years of school in the education field. This program is meant to help close the gap of unfilled teaching positions, an issue that urban school districts across the country face each year.

#### **Head Start**

The District is in the second year of managing a large portion of the Head Start program in Lucas County. Partnering with WSOS Community Action and the Lucas County Family Council, TPS is providing services to close to 900 children, ages birth to 5 years at TPS and carefully-selected childcare locations. The grant is the culmination of more than a year's work between representatives of a number of organizations, all with the same goal of developing the strongest program possible to help the youngest children of Lucas County.

#### **Strategic Plan**

Toledo Public Schools serves more than 22,000 students in two pre-schools, 40 elementary schools and nine high schools. In December, 2013, Dr. Romules Durant became the Superintendent and set the school district on a course for positive change. Building on two significant endeavors, the highly acclaimed Transformation Plan and an inclusive Performance Audit, TPS has worked diligently to create a platform for new and innovative programs and curriculum offerings.

In 2014, with transformation and change well on its way to making TPS a nationally recognized urban school district, district leaders determined that it was time to develop a strategic plan that would serve as the vision and road map for the future.

***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2015***

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**The Process**

To support and assist in the development of a Strategic Plan, TPS enlisted the efforts of Battelle for Kids (BFK), a national not-for-profit organization with a mission of bringing clarity to school improvement. The first step in creating the Strategic Plan was to conduct a thorough audit of the district's plans for the future and change initiatives. BFK reviewed a variety of existing efforts, including the Performance Audit, Transformational Plan, SMART goals for the Superintendent and Cabinet and individual building improvement plans.

It was critical to engage TPS' stakeholders. BFK conducted interviews and focus groups with Superintendent Durant and his Cabinet, the Board of Education and other key stakeholders, including teachers, administrators, students, parents, and community/civic leaders. Key themes from these sessions were incorporated into the Strategic Plan, ensuring that TPS' internal and external customers had a voice in the District's vision for the future. As a final step, BFK conducted a series of training sessions with key administrators on how to create quantifiable accountability metrics. These trainings gave each department the opportunity to participate in developing measures that will be monitored during the implementation of the Strategic Plan.

**Board Monitoring System**

The Strategic Plan is built around six primary goals with measurable objectives and will be operationalized through a Board Monitoring System, with comprehensive oversight provided by the Chief of Staff and designated Strategic Planning Facilitators. The monitoring system will allow the Board of Education to efficiently and effectively assess and measure the successes, struggles and needs of the district.

The administration will report to the Board of Education on each strategic goal. The Board will then evaluate the information and provide direction to the administration, if necessary. All reports are designed to utilize graphic descriptors to illustrate critical data and include a comparative analysis.

Periodic updates will be shared with the community so they can evaluate the positive momentum that continues to build across the district.

**The Goals**

- Increase Student Achievement and Growth
- Focus on District Accountability, Quality Assessment, and a District-Wide Comprehensive Instructional Plan
- Provide a Mentally and Physically Safe Environment to Students, Staff, and Stakeholders
- Attract and Retain Highly Skilled and Performing Staff to Ensure District Success
- Improve Public Confidence, Support, and Investment in TPS Students, Schools, and Staff
- Ensure Efficient and Effective District Operations and Appropriately Managed District Assets Ensuring Fiscal Transparency, Sustainability, and Taxpayer Accountability

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

---

#### **Transformation Plan**

The District is in the fourth year of a Transformation Plan that was announced by the Board and the Administration in January 2011. The Plan is focused on building strong learning communities, providing educational choices and equal opportunities for students, re-establishing Toledo as a community of choice and promoting the retention of students, increasing the graduation rate for all students and providing them with skills needed to compete in a global economy, replicating effective programs and eliminating or reforming unproductive practices, developing a District-wide culture of high expectations for student success, accountability for performance and right-sizing operations for effective and efficient delivery of services.

#### **MAJOR INITIATIVES FOR THE FUTURE**

District leaders continue to focus on building partnerships with community organizations and businesses that will benefit students. This includes working with local trade unions to introduce internships or apprenticeship programs for our Career Technology students so they can gain hands-on experience in their chosen field. These programs could lead to full-time work for students upon graduation from high school.

Another District initiative that is being researched is the rebirth of a true Vocational School. The new facility would follow a model and curriculum similar to Macomber-Whitney, which at one time offered students training in a variety of jobs, including auto repair, commercial art, drafting and welding. This new venture would be open to current TPS students and community members who are hoping to gain a new skill to fulfill their professional goals.

#### **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 \$15,214,932. Currently there are 22 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 Exemption Revenue Sharing Agreements will set the stage for future cooperation between government entities.

As of June 30, 2015, the Toledo City School District has underlying debt ratings of A- from Fitch Ratings, A2 from Moody's Investment Service and A+ from Standard and Poor's. Financial information was provided to all external-rating agencies resulting in the District maintaining the above-mentioned ratings. Financial information was also furnished to the Ohio Municipal Advisory Council (OMAC), which has applied for and received the designation of being the State Information Depository (SID) for the State of Ohio. The establishment of SID provides the State with more uniform central distribution of financial information to debt holders and potential bidders of debt for the Toledo City School District.

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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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.

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

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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#### **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.

**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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2015***

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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, 2015. 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, 2014. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that conforms to program standards. A CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement award is valid for a period of one year. The Toledo City School District has received a Certificate of Achievement for the past twenty-six years (1989-2014). 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, 2014. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of Certified Public Accountants and practicing school business officials, grants the award, only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. This is the seventeenth year the District has received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

***TOLEDO CITY SCHOOL DISTRICT***

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2015***

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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,



Romules Durant, Ed. D  
Superintendent and CEO



Ryan Stechschulte  
Treasurer of the Board

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2015***

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#### ***Members of the Board of Education***

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

	Began Service as a Board Member	Present Term Expires
Bob Vasquez, Preisent	Appointed 2008	12/31/2017
Chris Varwig, Vice-President	01/01/2014	12/31/2017
Lisa Sobecki, Member	01/01/2007	12/31/2015
Polly Taylor-Gerken, Member	01/01/2014	12/31/2017
Randall Parker III, Member	Appointed 2015	12/31/2015

#### ***Superintendent***

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

#### ***Treasurer***

The Treasurer serves as the Chief Fiscal Officer of the District and Secretary to the Board of Education. The Treasurer receives, accounts for, and disburses all District funds as required by applicable laws in accordance with Board policies and regulations. Ryan Stechschulte was named District Treasurer effective on July 1, 2015 with his contract expiring July 31, 2018.

***TOLEDO CITY SCHOOL DISTRICT***

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***School District Organizational Chart  
For the Fiscal Year Ended June, 30, 2015***

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***Management Team Members***

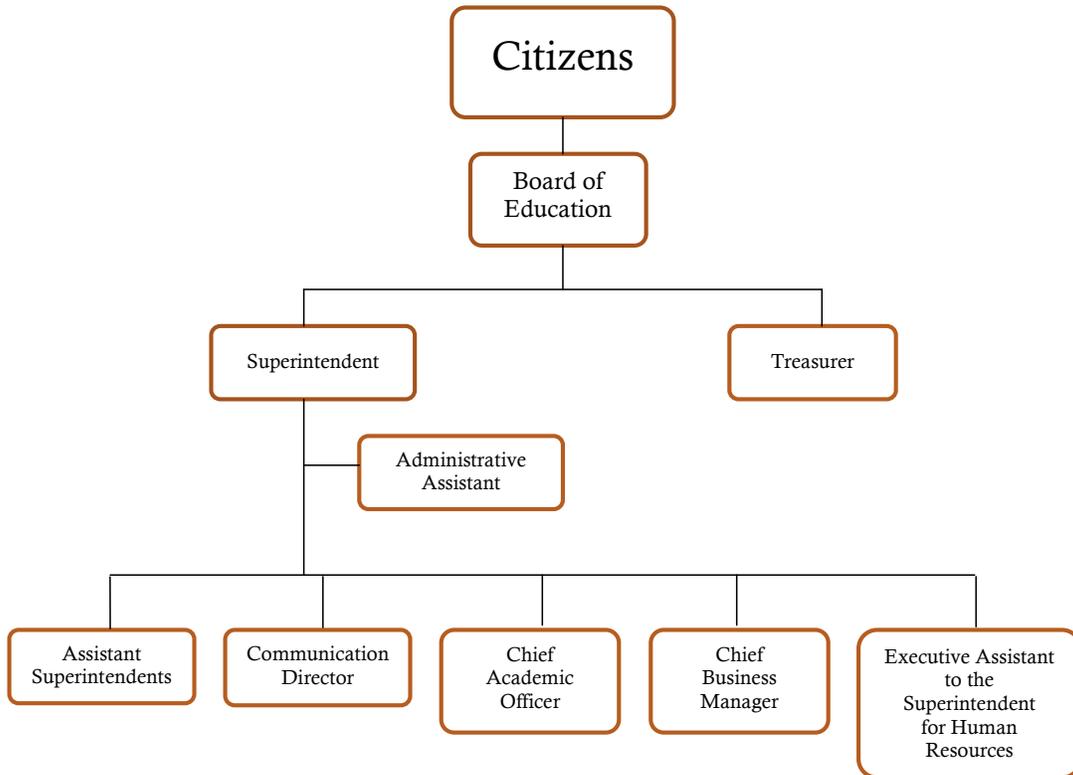
Dr. Romulus Durant	Superintendent
Ryan Stechschulte	Treasurer of the Board
James E. Gault	Chief Academic Officer
Cheryl Spieldenner	Chief Human Resources Officer
Angela Jordan	Assistant to the Superintendent
James Gant	Chief Business Manager

**TOLEDO CITY SCHOOL DISTRICT**

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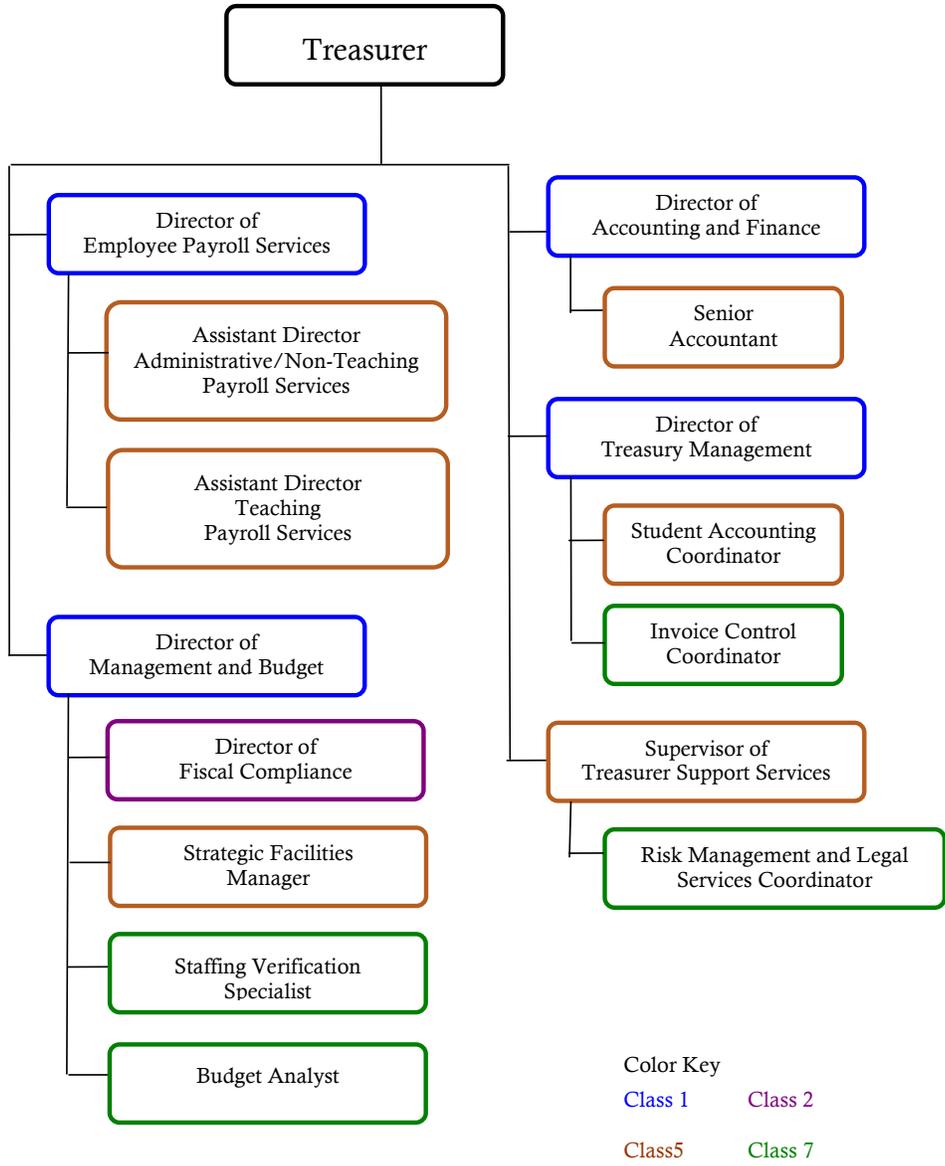
**School District Organizational Chart  
For the Fiscal Year Ended June, 30, 2015**

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**TOLEDO CITY SCHOOL DISTRICT**

**Treasurer's Division Organizational Chart  
For the Fiscal Year Ended June, 30, 2015**





Government Finance Officers Association

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

Presented to

**Toledo City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**Association of School Business Officials International**



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

**Toledo City Schools**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

## *FINANCIAL SECTION*

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Toledo Public Schools



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The District also restated certain balances due to expenditure posting errors. We did not modify our opinion regarding these matters.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

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

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

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

***Other Matters – (Continued)***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015

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## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2015***

***Unaudited***

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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, 2015. 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 2015 are as follows:**

- ❑ General revenues accounted for \$342,474,139 in revenue or 81.9% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$75,708,294 or 18.1% of total revenues of \$418,182,433. The State Foundation portion of general revenues increased approximately \$10 million from FY14 to FY15. However, the District continues to see a reduction in State of Ohio financial assistance as a result of the phase out of personal property reimbursement, and enrollment decline resulting in less State funding. The net effect is FY15 State Revenue is still below the level provided in FY09.
- ❑ The District had \$389,327,097 in expenses related to governmental activities; only \$75,708,294 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$106,595,590 and unrestricted state and federal revenues totaling \$234,601,655, plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ The assets of the District exceeded its liabilities at June 30, 2015 by \$128,623,202 (net position). The District's total net position increased by \$28,855,336 in fiscal year 2015. The net decrease is due to the implementation of Government Accounting Standards Board Statement No. 68 and the \$331,482,520 liability that was required to be included on the District's financial statements as a result of the implementation.
- ❑ Among major funds, the general fund had \$337,614,416 in revenues, \$322,120,076 in expenditures and (\$104,697) in transfers out, resulting in the general fund balance increasing by \$15,389,643 to \$39,775,401. This increase is attributable to operational efficiencies and cost saving measures resulting from implementation of performance audit recommendations as well as an increase in State revenue over FY14.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.

2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements.

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

### ***Government-wide Statements***

The government-wide statements report information about the District as a whole using accounting similar to those used by private-sector companies. The statement of net position 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 position and how they have changed. Net-position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

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

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

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

### ***Fund Financial Statements***

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

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

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015**

**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 Position and the Statement of Activities.

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

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

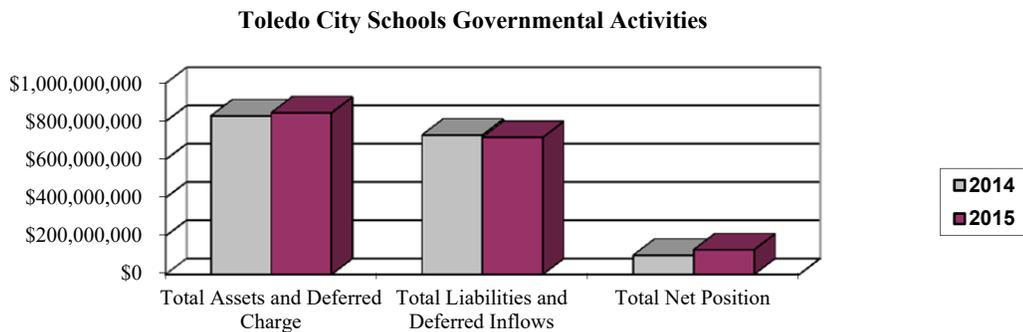
The following table provides a summary of the District's net position for 2015 compared to 2014:

	Governmental Activities		Increase (Decrease)
	2015	Restated 2014	
Current and other assets	\$271,091,466	\$250,595,549	\$20,495,917
Capital assets, Net	545,514,953	552,229,046	(6,714,093)
Total assets	816,606,419	802,824,595	13,781,824
Deferred Loss on Debt Refunding	5,314,456	5,697,202	(382,746)
Pension	23,496,497	20,218,944	3,277,553
Total Deferred Outflows of Resources	28,810,953	25,916,146	2,894,807
Net Pension Liability	331,482,520	393,802,131	(62,319,611)
Other Long-Term Liabilities	167,311,658	181,528,873	(14,217,215)
Other Liabilities	64,160,279	62,483,172	1,677,107
Total liabilities	562,954,457	637,814,176	(74,859,719)
Property Tax Levy for Next Fiscal Year	93,998,192	91,158,699	2,839,493
Pension	59,841,521	0	59,841,521
Total Deferred Inflows of Resources	153,839,713	91,158,699	62,681,014
Net position:			
Net Investment in Capital Assets	397,688,562	399,196,714	(1,508,152)
Restricted	50,932,128	46,459,027	4,473,101
Unrestricted (Deficit)	(319,997,488)	(345,887,875)	25,890,387
Total Net Position	\$128,623,202	\$99,767,866	\$28,855,336

# TOLEDO CITY SCHOOL DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015

Unaudited



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

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

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

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June, 30, 2015***

***Unaudited***

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

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

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

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$473,351,127 to \$99,767,940.

At fiscal year-end for governmental activities, capital assets represented 64% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Net investment in capital assets, at June 30, 2015 was \$397,688,562. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District’s net position, \$50,932,128, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the District has approximately \$14 million in unrestricted net position which may be used to meet the District’s ongoing obligations to the students and creditors.

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015**

**Unaudited**

**Changes in Net Position** – The following table shows the net position for the fiscal year 2015 compared to 2014:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Revenues			
Program revenues:			
Charges for Services	\$10,742,242	\$10,490,205	\$252,037
Operating Grants	64,885,961	43,841,888	21,044,073
Capital Grants	80,091	1,579,317	(1,499,226)
General revenues:			
Property Taxes	106,595,590	92,350,066	14,245,524
Grants and Entitlements	234,601,655	236,669,842	(2,068,187)
Other	1,276,894	249,416	1,027,478
Sale of Capital Assets	0	690,062	(690,062)
Total revenues	<u>418,182,433</u>	<u>385,870,796</u>	<u>32,311,637</u>
Program Expenses			
Instruction	246,372,454	248,414,449	(2,041,995)
Support Services	114,915,707	112,950,654	1,965,053
Non-Instructional Services	18,785,625	16,218,267	2,567,358
Extracurricular Activities	3,249,709	2,759,367	490,342
Interest and Fiscal Charges	6,003,602	5,379,439	624,163
Total expenses	<u>389,327,097</u>	<u>385,722,176</u>	<u>3,604,921</u>
Total Change in Net Position	28,855,336	148,620	28,706,716
Beginning Net Position, Restated	99,767,866	N/A	N/A
Ending Net Position	<u>\$128,623,202</u>	<u>\$99,767,866</u>	<u>\$28,855,336</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$20,218,944 for Governmental Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$14,622,577 for Governmental Activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expenses under GASB 68	\$389,327,097
Pension expense under GASB 68	(14,622,577)
2015 contractually required contribution	<u>20,378,220</u>
Adjusted 2015 program expenses	395,082,740
Total 2014 program expenses under GASB 27	<u>385,722,176</u>
Increase in program expenses not related to pension	<u>\$9,360,564</u>

**TOLEDO CITY SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015*

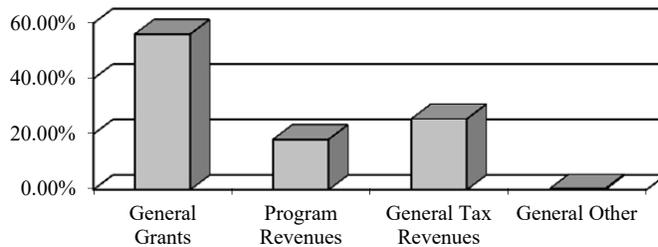
*Unaudited*

**Governmental Activities**

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

Property taxes made up approximately 25.49% of revenues for governmental activities for the Toledo City School District in fiscal year 2015. The District's reliance upon tax revenues is demonstrated by the following graph indicating 25.49% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Grants	\$234,601,655	56.10%
Program Revenues	75,708,294	18.10%
General Tax Revenues	106,595,590	25.49%
General Other	1,276,894	0.31%
Total Revenue	\$418,182,433	100.00%



**TOLEDO CITY SCHOOL DISTRICT**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015*

*Unaudited*

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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$71,208,796, which is an increase from last year's total of \$65,302,994. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Restated Fund Balance June 30, 2014	Increase (Decrease)
General	\$39,775,401	\$24,385,758	\$15,389,643
Debt Service	4,313,744	3,669,002	644,742
Locally Funded			
Initiative	746,985	2,806,288	(2,059,303)
Classroom Facilities			
Capital Projects	9,670,147	9,576,619	93,528
Other Governmental	16,702,519	24,865,327	(8,162,808)
Total	<u>\$71,208,796</u>	<u>\$65,302,994</u>	<u>\$5,905,802</u>

The General Fund State Foundation payments increased due to an increase in student enrollment. The General Fund also decreased in state revenue due to the elimination of personal property tax reimbursement; however, the District offset this reduction through operational efficiencies and cost saving measures resulting from implementation of performance audit recommendations as well as an increase in State Foundation revenue over FY14. Current expenditures and transfers were less than total revenues resulting in the increase of the General Fund balance. The Debt Service Fund balance moderate increase is a reflection of a moderate increase in property tax receipts as a result of a new levy passed by the district. The decrease in the Locally Funded Initiative Fund was due to a decrease in capital outlay expenditures during the year. The Classroom Facilities Capital Building Fund balance remained relatively consistent from FY14 as a result of the building project coming to a conclusion. The combination of these factors resulted in an increase in fund balance.

**TOLEDO CITY SCHOOL DISTRICT****Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015****Unaudited**

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

	2015 <u>Revenues</u>	2014 <u>Revenues</u>	Increase <u>(Decrease)</u>
Taxes	\$91,451,255	\$82,477,342	\$8,973,913
Tuition	2,272,951	1,774,371	498,580
Transportation Fees	585,879	502,136	83,743
Investment Earnings	255,163	32,658	222,505
Extracurricular Activities	258,092	235,977	22,115
Class Materials and Fees	68,608	46,023	22,585
Intergovernmental - State	236,205,765	226,893,124	9,312,641
Intergovernmental - Federal	751,587	2,045,611	(1,294,024)
All Other Revenue	5,765,116	5,633,146	131,970
Total	<u>\$337,614,416</u>	<u>\$319,640,388</u>	<u>\$17,974,028</u>

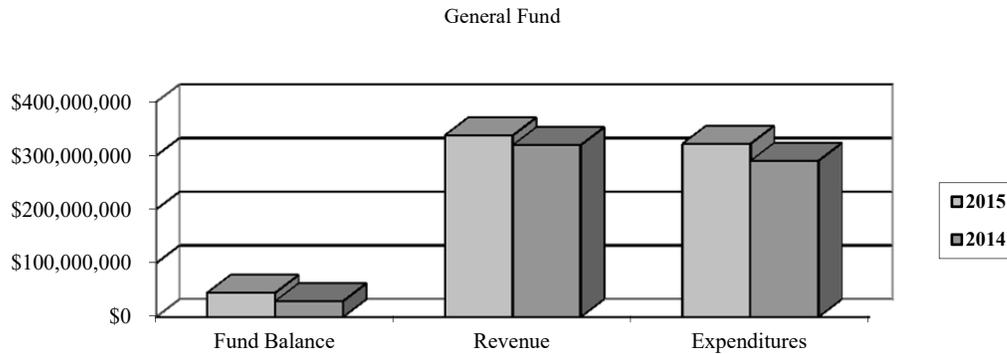
During fiscal year 2015 total General Fund revenues increased by approximately 5.6%. The material make up of this increase is from increased taxes revenue as a result of the new levy passed at the end of FY14 and an increase in State grants during 2015.

	2015 <u>Expenditures</u>	2014 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Instruction	\$217,997,123	\$205,865,861	\$12,131,262
Supporting Services	94,958,490	78,730,409	16,228,081
Non-Instructional Services	6,329,755	3,307,941	3,021,814
Extracurricular Activities	2,702,204	2,258,991	443,213
Capital Outlay	132,504	269,047	(136,543)
Total	<u>\$322,120,076</u>	<u>\$290,432,249</u>	<u>\$31,687,827</u>

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015**

**Unaudited**



During fiscal year 2015 total General Fund expenditures increased by about 10.9%. The material make up of this increase is a result of increased salaries and benefits expenditures.

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

During the course of fiscal year 2015, 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	\$322,036,615	\$321,977,216	-0.02%
Expenditures	347,775,106	382,038,632	9.85%

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015**

**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets* - At the end of fiscal 2015 the District had \$545,514,953 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$13,897,335	\$13,897,335	\$0
Land Improvements	8,533,154	8,533,154	0
Buildings	620,085,486	614,842,309	5,243,177
Building Improvements	21,536,494	21,536,494	0
Machinery and Equipment	12,592,717	12,041,704	551,013
Vehicles	12,404,534	11,145,403	1,259,131
Less: Accumulated Depreciation	<u>(143,534,767)</u>	<u>(129,767,353)</u>	<u>(13,767,414)</u>
Totals	<u>\$545,514,953</u>	<u>\$552,229,046</u>	<u>(\$6,714,093)</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 11).

*Debt* - At June 30, 2015, the District had \$139,284,995 in General Obligation Bonds outstanding, \$5,180,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2015 and 2014:

	2015	2014
Governmental Activities:		
General Obligation Bonds	\$139,284,995	\$143,854,995
Premium on G.O. Bonds	13,855,852	14,874,539
Net Pension Liability	331,482,520	393,802,131
Compensated Absences	14,170,811	22,799,339
Totals	<u>\$498,794,178</u>	<u>\$575,331,004</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, 2015, 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).

**TOLEDO CITY SCHOOL DISTRICT**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2015*

*Unaudited*

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**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 2015.

FY15 had an additional one percent increase in salaries for employees in January. The current collective bargaining agreements extend through FY16 with a review of finances only at the end of FY15.

As of the October 2015 five-year forecast, the district still maintains the projected balance through Fiscal Year 2016 and an improved projection for Fiscal Year 2017 of \$1,437,289 net of encumbrance.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information please contact Ryan Stechschulte, Treasurer, at Toledo City School District, 420 E. Manhattan Boulevard, Toledo, Ohio 43608.

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Net Position**  
**June 30, 2015**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 128,597,998
Cash with Fiscal Agent	72,725
Receivables:	
Taxes	120,059,490
Accounts	1,450,897
Intergovernmental	20,287,591
Interest	325,940
Inventory Held for Resale	296,825
Capital Assets Not Being Depreciated	13,897,335
Capital Assets Being Depreciated, Net	531,617,618
<b>Total Assets</b>	<b>816,606,419</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Loss on Debt Refunding	5,314,456
Pension	23,496,497
<b>Total Deferred Outflows of Resources</b>	<b>28,810,953</b>
<b>Liabilities:</b>	
Accounts Payable	23,573,206
Accrued Wages and Benefits	33,788,970
Intergovernmental Payable	6,179,468
Retainage Payable	72,725
Accrued Interest Payable	545,910
Long Term Liabilities:	
Due Within One Year	7,330,495
Due in More Than One Year:	
Net Pension Liability	331,482,520
Other Amounts Due in More Than One Year	159,981,163
<b>Total Liabilities</b>	<b>562,954,457</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax for Next Fiscal Year	93,998,192
Pension	59,841,521
<b>Total Deferred Inflows of Resources</b>	<b>153,839,713</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	397,688,562
Restricted For:	
Capital Projects	11,414,880
Debt Service	5,589,194
Permanent Fund:	
Expendable	232,740
Nonexpendable	503,291
School Facilities Maintenance	13,498,126
Auxiliary Services	961,560
Head Start	4,125,358
Student Activities	246,822
Race to the Top	56,762
Special Education - Handicapped	2,086,716
Title I School Improvement	1,217,757
Title I	4,039,877
Improving Teacher Quality	1,778,390
Miscellaneous Federal Grants	3,550,093
Other Purposes	1,630,562
Unrestricted (Deficit)	(319,997,488)
<b>Total Net Position</b>	<b>\$ 128,623,202</b>

See accompanying notes to the basic financial statements



**TOLEDO CITY SCHOOL DISTRICT**

**Statement of Activities  
For the Fiscal Year Ended June 30, 2015**

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
	Expenses	Services and	Grants and	and	Changes in
		Sales	Contributions	Contributions	Net Position
					Governmental
					Activities
<b>Governmental Activities:</b>					
Instruction	\$ 246,372,454	\$ 2,516,440	\$ 31,220,489	\$ 9,114	\$ (212,626,411)
Support Services	114,915,707	7,041,992	23,860,748	70,977	(83,941,990)
Non-Instructional Services	18,785,625	0	8,810,039	0	(9,975,586)
Extracurricular Activities	3,249,709	1,183,810	994,685	0	(1,071,214)
Interest and Fiscal Charges	6,003,602	0	0	0	(6,003,602)
<b>Totals</b>	<b>\$ 389,327,097</b>	<b>\$ 10,742,242</b>	<b>\$ 64,885,961</b>	<b>\$ 80,091</b>	<b>(313,618,803)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
					93,981,026
					969,039
					9,969,733
					1,675,792
					234,601,655
					417,843
					859,051
					<u>342,474,139</u>
					28,855,336
					<u>99,767,866</u>
					<u>\$ 128,623,202</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2015**

	General	Debt Service	Locally Funded Initiative	Classroom Facilities
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 57,180,392	\$ 3,691,569	\$ 824,169	\$ 27,476,823
Cash with Fiscal Agent	0	0	0	0
Receivables:				
Taxes	105,070,190	10,440,713	0	0
Accounts	1,240,045	0	0	0
Intergovernmental	131,750	0	0	0
Interest	177,578	0	7,080	71,254
Interfund Loan Receivable	6,466,587	0	0	0
Inventory Held for Resale	67,451	0	0	0
<b>Total Assets</b>	<b>\$ 170,333,993</b>	<b>\$ 14,132,282</b>	<b>\$ 831,249</b>	<b>\$ 27,548,077</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,147,897	\$ 0	\$ 84,264	\$ 17,877,930
Accrued Wages and Benefits	24,042,793	0	0	0
Intergovernmental Payable	4,942,015	0	0	0
Retainage Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>31,132,705</b>	<b>0</b>	<b>84,264</b>	<b>17,877,930</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
Property Tax for Next Fiscal Year	99,425,887	9,818,538	0	0
<b>Total Deferred Inflows of Resources</b>	<b>99,425,887</b>	<b>9,818,538</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	67,451	0	0	0
Restricted	0	4,313,744	746,985	9,670,147
Assigned	8,841,299	0	0	0
Unassigned	30,866,651	0	0	0
<b>Total Fund Balances</b>	<b>39,775,401</b>	<b>4,313,744</b>	<b>746,985</b>	<b>9,670,147</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 170,333,993</b>	<b>\$ 14,132,282</b>	<b>\$ 831,249</b>	<b>\$ 27,548,077</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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Total Nonmajor Funds	Total Governmental Funds
\$ 27,849,880	\$ 117,022,833
72,725	72,725
4,548,587	120,059,490
52,579	1,292,624
20,147,940	20,279,690
49,158	305,070
0	6,466,587
229,374	296,825
\$ 52,950,243	\$ 265,795,844
\$ 2,640,227	\$ 22,750,318
4,111,577	28,154,370
760,338	5,702,353
72,725	72,725
6,466,587	6,466,587
14,051,454	63,146,353
17,891,674	17,891,674
4,304,596	113,549,021
22,196,270	131,440,695
732,665	800,116
18,947,059	33,677,935
0	8,841,299
(2,977,205)	27,889,446
16,702,519	71,208,796
\$ 52,950,243	\$ 265,795,844

**TOLEDO CITY SCHOOL DISTRICT**

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***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2015***

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<b>Total Governmental Fund Balances</b>	\$ 71,208,796
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	545,514,953
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	37,442,503
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,827,606
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(367,827,544)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(162,543,112)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u>\$ 128,623,202</u></b>

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, 2015**

	General	Debt Service	Locally Funded Initiative	Classroom Facilities
<b>Revenues:</b>				
Taxes	\$ 91,451,255	\$ 9,969,733	\$ 0	\$ 0
Tuition	2,272,951	0	0	0
Transportation Fees	585,879	0	0	0
Food Services	0	0	0	0
Investment Earnings	255,163	0	3,244	93,528
Extracurricular Activities	258,092	0	0	0
Class Materials and Fees	68,608	0	0	0
Intergovernmental - State	236,205,765	2,102,899	0	0
Intergovernmental - Federal	751,587	0	0	0
All Other Revenue	5,765,116	0	0	0
<b>Total Revenue</b>	<b>337,614,416</b>	<b>12,072,632</b>	<b>3,244</b>	<b>93,528</b>
<b>Expenditures:</b>				
Current:				
Instruction	217,997,123	0	0	0
Supporting Services	94,958,490	200,623	0	0
Non-Instructional Services	6,329,755	0	0	0
Extracurricular Activities	2,702,204	0	0	0
Capital Outlay	132,504	0	2,062,547	0
Debt Service:				
Principal Retirement	0	4,570,000	0	0
Interest and Fiscal Charges	0	6,657,267	0	0
<b>Total Expenditures</b>	<b>322,120,076</b>	<b>11,427,890</b>	<b>2,062,547</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	15,494,340	644,742	(2,059,303)	93,528
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	(104,697)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(104,697)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	15,389,643	644,742	(2,059,303)	93,528
<b>Fund Balances at Beginning of Year, Restated</b>	<b>24,385,758</b>	<b>3,669,002</b>	<b>2,806,288</b>	<b>9,576,619</b>
<b>Fund Balances End of Year</b>	<b>\$ 39,775,401</b>	<b>\$ 4,313,744</b>	<b>\$ 746,985</b>	<b>\$ 9,670,147</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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Total Nonmajor Funds	Total Governmental Funds
\$ 2,644,831	\$ 104,065,819
240,853	2,513,804
0	585,879
546,704	546,704
59,023	410,958
347,935	606,027
2,636	71,244
5,442,045	243,750,709
47,601,237	48,352,824
1,483,082	7,248,198
<u>58,368,346</u>	<u>408,152,166</u>
21,439,240	239,436,363
21,877,342	117,036,455
21,438,803	27,768,558
488,379	3,190,583
1,392,087	3,587,138
0	4,570,000
0	6,657,267
<u>66,635,851</u>	<u>402,246,364</u>
(8,267,505)	5,905,802
104,697	104,697
0	(104,697)
<u>104,697</u>	<u>0</u>
(8,162,808)	5,905,802
24,865,327	65,302,994
<u>\$ 16,702,519</u>	<u>\$ 71,208,796</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 5,905,802

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (6,714,093)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 9,993,945

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 20,378,220

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (14,622,577)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 5,205,941

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 17,724

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. 8,628,528

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. 61,846

***Change in Net Position of Governmental Activities*** \$ 28,855,336

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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Revenue from Local Sources	\$ 90,921,718	\$ 90,965,718	\$ 99,879,936	\$ 8,914,218
Revenue from State Sources	230,103,399	230,000,000	236,205,765	6,205,765
Revenue from Federal Sources	961,498	961,498	751,587	(209,911)
Total Revenues	<u>321,986,615</u>	<u>321,927,216</u>	<u>336,837,288</u>	<u>14,910,072</u>
<b>Expenditures:</b>				
Current:				
Instructional Services:				
Regular	82,712,598	108,794,533	79,399,313	29,395,220
Special	45,247,927	39,777,165	39,725,544	51,621
Vocational Education	6,901,619	6,585,456	6,585,456	0
Other	93,684,511	93,781,757	91,303,412	2,478,345
Support Services:				
Pupils	15,912,214	15,019,705	14,632,226	387,479
Instructional Staff	6,166,088	8,223,929	7,457,828	766,101
Board of Education	68,550	64,860	58,949	5,911
Administration	18,735,254	19,951,981	18,821,228	1,130,753
Fiscal Services	8,628,183	7,141,402	5,888,551	1,252,851
Business	2,366,259	2,321,547	2,154,835	166,712
Operation and Maintenance of Plant	31,669,169	32,690,032	31,323,720	1,366,312
Pupil Transportation	10,658,885	11,562,473	11,285,883	276,590
Central	10,345,785	9,569,276	9,005,573	563,703
Other Services:				
Community Services	319,649	358,639	358,639	0
Shared Services	3,493,238	3,317,795	0	3,317,795
Other Operation of Non-Instructional Services	5,196,736	6,959,135	5,954,255	1,004,880
Academic and Subject Oriented Activities	137,084	118,094	117,530	564
Occupation Oriented Activities	89,801	126,229	126,229	0
Sport Oriented Activities	1,983,243	2,131,586	2,071,070	60,516
School and Public Service Co-Curricular. Activities	48,453	47,072	47,072	0
Site Improvement Services	282,400	227,400	133,533	93,867
Total Expenditures	<u>344,647,646</u>	<u>368,770,066</u>	<u>326,450,846</u>	<u>42,319,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,661,031)	(46,842,850)	10,386,442	57,229,292

**TOLEDO CITY SCHOOL DISTRICT**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(981,960)	(6,989,816)	(6,989,816)	0
Advances In	0	0	10,335,616	10,335,616
Advances Out	(2,145,000)	(6,278,050)	(6,278,050)	0
Refund of Prior Year's Expenditures	50,000	50,000	(6,728)	(56,728)
Refund of Prior Year's Receipts	(500)	(700)	(374)	326
Total Other Financing Sources (Uses):	<u>(3,077,460)</u>	<u>(13,218,566)</u>	<u>(2,939,352)</u>	<u>10,279,214</u>
Net Change in Fund Balances	(25,738,491)	(60,061,416)	7,447,090	67,508,506
Fund Balance at Beginning of Year	19,936,218	19,936,218	19,936,218	0
Prior Year Encumbrances	8,764,418	8,764,418	8,764,418	0
Fund Balance at End of Year	<u>\$ 2,962,145</u>	<u>\$ (31,360,780)</u>	<u>\$ 36,147,726</u>	<u>\$ 67,508,506</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Statement of Net Position  
Proprietary Funds  
June 30, 2015***

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	Governmental Activities - Internal Service Funds
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 11,575,165
Receivables:	
Accounts	158,273
Intergovernmental	7,901
Interest	20,870
<b>Total Assets</b>	<u>11,762,209</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	822,888
Accrued Wages and Benefits	5,634,600
Intergovernmental Payable	477,115
<b>Total Liabilities</b>	<u>6,934,603</u>
<b>Net Position:</b>	
Unrestricted	4,827,606
<b>Total Net Position</b>	<u>\$ 4,827,606</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015***

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	Governmental Activities - Internal Service Funds
<b>Operating Revenues:</b>	
Interfund Charges	\$ 53,344,259
<b>Total Operating Revenues</b>	<u>53,344,259</u>
<b>Operating Expenses:</b>	
Personal Services	2,100,066
Purchased Services	51,200,773
Miscellaneous	<u>2,468</u>
<b>Total Operating Expenses</b>	<u>53,303,307</u>
Operating Income	40,952
<b>Nonoperating Revenue (Expenses):</b>	
Investment Earnings	20,894
Change in Net Position	61,846
Net Position Beginning of Year, Restated	<u>4,765,760</u>
Net Position End of Year	<u>\$ 4,827,606</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015**

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	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$53,314,822
Cash Payments to Employees for Services and Benefits	(52,726,799)
Net Cash Provided by Operating Activities	<u>588,023</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	13,307
Net Cash Provided by Investing Activities	<u>13,307</u>
Net Increase in Cash and Cash Equivalents	601,330
Cash and Cash Equivalents at Beginning of Year	10,973,835
Cash and Cash Equivalents at End of Year	<u>\$11,575,165</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$40,952
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(2,462)
Decrease in Intergovernmental Receivables	3,403
Increase in Accounts Payable	88,797
Increase in Accrued Wages and Benefits	382,200
Increase in Intergovernmental Payables	75,133
Total Adjustments	<u>547,071</u>
Net Cash Provided by Operating Activities	<u>\$588,023</u>

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During 2015 the fair value of investments decreased by \$490 and \$212 in the Health Insurance and Workers' Compensation Funds, respectively.

See accompanying notes to the basic financial statements.

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Net Position  
Fiduciary Funds  
June 30, 2015**

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	Private Purpose Trust	
	Special Trust Fund	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 1,955,621	\$ 202,029
Receivables:		
Accounts	0	4,526
Interest	3,172	750
<b>Total Assets</b>	<u>1,958,793</u>	<u>207,305</u>
<b>Liabilities:</b>		
Accounts Payable	1,711	25,438
Accrued Wages and Benefits	75	0
Intergovernmental Payable	1	495
Due to Students	0	181,372
<b>Total Liabilities</b>	<u>1,787</u>	<u>207,305</u>
<b>Net Position:</b>		
Unrestricted	<u>1,957,006</u>	<u>0</u>
<b>Total Net Position</b>	<u>\$ 1,957,006</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Changes in Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2015**

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	<u>Private Purpose Trust Special Trust Fund</u>
<b>Additions:</b>	
Contributions:	
Sales	\$ 5,725
Private Donations	<u>187,491</u>
Total Contributions	<u>193,216</u>
Investment Earnings:	
Interest	<u>2,803</u>
Total Investment Earnings	<u>2,803</u>
Total Additions	<u>196,019</u>
<b>Deductions:</b>	
Administrative Expenses	<u>60,403</u>
Total Deductions	<u>60,403</u>
Change in Net Position	135,616
Net Position at Beginning of Year, Restated	<u>1,821,390</u>
Net Position End of Year	<u>\$ 1,957,006</u>

See accompanying notes to the basic financial statements

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015***

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#### **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 1,702 noncertified and approximately 2,249 certified teaching personnel and administrative employees providing education to 21,308 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*", in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the application of the above criteria for a component unit, and the criteria for defining joint ventures set forth under section J50.102 of the 2004 Codification there are no component units or "Joint Ventures." Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings. The District is the sponsor of the Polly Fox and the Phoenix Academies, both charter schools established under Chapter 3314 of the Ohio Revised Code. These community schools are not considered part of the District.

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

##### **B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures (expenses). The various funds are grouped into the categories governmental, proprietary and fiduciary.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

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

**C. Basis of Presentation – Financial Statements**

***Government-wide Financial Statements*** – The statement of Net Position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no activities considered business-type activities.

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

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. Interfund services provided and used are not eliminated in the process of consolidation. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Fund Financial Statements** – Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

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

**D. Basis of Accounting**

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**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, 2015, and which are not intended to finance fiscal 2015 operations, have been recorded as deferred inflows of resources on the Statement of Net Position. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2015 are reflected as part of the restricted fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

***Revenues – Exchange and Non-exchange Transactions*** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**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 2015.

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**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 2015 the Board of Education passed the annual certification on June 23, 2014.

**3. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**4. Budgetary Basis of Accounting**

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis).

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**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)	\$15,389,643
Increase (Decrease):	
Accrued Revenues at June 30, 2015, received during FY 2016	(13,727,091)
Accrued Revenues at June 30, 2014, received during FY 2015	10,853,360
Accrued Expenditures at June 30, 2015, paid during FY 2016	31,132,705
Accrued Expenditures at June 30, 2014, paid during FY 2015	(25,188,226)
Perspective Difference:	
2014 Advance to Fiduciary Fund	55,502
2014 Advance to Fiduciary Fund Activity of Funds Reclassified For GAAP Reporting Purposes	(43,500)
2014 Adjustment to Fair Value	53,763
2015 Adjustment to Fair Value	(69,314)
	6,348
Encumbrances Outstanding	(11,016,100)
Budget Basis	<u>\$7,447,090</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, 2015, there were no investment balances as defined under section 2450.106 of the 2004 GASB Codification.

***TOLEDO CITY SCHOOL DISTRICT***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Investments (Continued)**

During fiscal year 2015, 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 2015 amounted to \$255,163, which includes \$120,935 assigned from other funds.

The District has invested funds in the STAR Ohio during 2015. 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, 2015.

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 6, "Cash, Cash Equivalents and Investments."

From June 30, 2014 to June 30, 2015, the investment portfolio exhibited an increase in fair value of approximately \$5,060,000, while the average maturity increased by 21 days and the average yield increased by 12 basis points (.117%). The increase in fair value was directly attributable to the increase and stability in fund balances, providing additional monies for investment purposes. Interest earnings for all funds since June 30, 2014, increased from \$122,980 to \$221,413 or approximately 80% as the interest rate environment began to rise and available dollars to invest increased.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Inventory**

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

**H. Capital Assets and Depreciation**

**1. Property, Plant and Equipment - Governmental Activities**

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

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

**2. Depreciation**

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

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

**I. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Compensated Absences	General Fund
Net Pension Liability	General Fund Special Revenue Funds

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences and Salary Related Payments**

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

**K. Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**L. Fund Balance**

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Fund Balance** (Continued)

***Restricted*** – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by policies of the School District Board of Education. Through the District's purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes, which are also reported as assigned fund balance.

***Unassigned*** - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

The District currently has no policy for minimum fund balance.

**M. Pensions**

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, 2015***

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**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 2015.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 13.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position explained in Note 13.

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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

During the year ended June 30, 2014, it was determined that there were several expenditure postings that did not record on the District’s accounting system. Also for fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The adjustments for the posting errors and the implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

	Governmental Activities	General Fund	Locally Funded Initiative Fund	Classroom Facilities Fund
Net position June 30, 2014	\$473,351,127	\$29,213,673	\$2,805,717	\$9,574,981
Adjustments:				
Net Pension Liability	(393,802,131)	0	0	0
Deferred Outflow - Payments Subsequent to Measurement Date	20,218,944	0	0	0
Posting Error	(74)	(4,827,915)	571	1,638
Restated Net Position June 30, 2014	<u>\$99,767,866</u>	<u>\$24,385,758</u>	<u>\$2,806,288</u>	<u>\$9,576,619</u>

	Other Governmental Funds	Internal Service Funds	Private Purpose Trust Fund
Net position June 30, 2014	\$20,189,047	\$4,616,408	\$1,821,335
Adjustments:			
Net Pension Liability	0	0	0
Deferred Outflow - Payments Subsequent to Measurement Date	0	0	0
Posting Error	4,676,280	149,352	55
Restated Net Position June 30, 2014	<u>\$24,865,327</u>	<u>\$4,765,760</u>	<u>\$1,821,390</u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

**NOTE 3 – FUND BALANCES**

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

Fund Balances	General Fund	Debt Service Fund	Locally Funded Initiative Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	\$67,451	\$0	\$0	\$0	\$229,374	\$296,825
Corpus	0	0	0	0	503,291	503,291
Total Nonspendable	<u>67,451</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>732,665</u>	<u>800,116</u>
Restricted:						
Endowments	0	0	0	0	232,740	232,740
Food Services	0	0	0	0	553,585	553,585
Adult Education	0	0	0	0	650,184	650,184
School Facilities Maintenance	0	0	0	0	13,498,126	13,498,126
Auxiliary Services	0	0	0	0	961,560	961,560
Extracurricular Activities	0	0	0	0	246,822	246,822
Technology Improvements	0	0	0	0	72,624	72,624
Special Education	0	0	0	0	438,570	438,570
Targeted Academic Assistance	0	0	0	0	1,830,793	1,830,793
Debt Service Payments	0	4,313,744	0	0	0	4,313,744
Capital Acquisition and Improvement	0	0	746,985	9,670,147	462,055	10,879,187
Total Restricted	<u>0</u>	<u>4,313,744</u>	<u>746,985</u>	<u>9,670,147</u>	<u>18,947,059</u>	<u>33,677,935</u>
Assigned to Other Purposes	8,841,299	0	0	0	0	8,841,299
Unassigned (Deficits):	30,866,651	0	0	0	(2,977,205)	27,889,446
Total Fund Balances (Deficits)	<u>\$39,775,401</u>	<u>\$4,313,744</u>	<u>\$746,985</u>	<u>\$9,670,147</u>	<u>\$16,702,519</u>	<u>\$71,208,796</u>

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 4 – 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 Position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and Net Position of governmental funds as reported in the government-wide statement of Net Position. 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	\$19,550,829
Grants Receivable	17,891,674
	<hr/>
	\$37,442,503

*The net pension liability not due and payable in the current period and the related deferred inflows/outflows:*

Deferred Outflows - Pension	23,496,497
Deferred Inflows - Pension	(59,841,521)
Net Pension Liability	(331,482,520)
	<hr/>
	(\$367,827,544)

*Long-Term liabilities not reported in the funds:*

Accrued Interest Payable on G.O. Bond Payable	(\$545,910)
G.O. Bonds Payable	(153,140,847)
Deferred Loss on Debt Refunding	5,314,456
Compensated Absences Payable	(14,170,811)
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	(\$162,543,112)

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**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 4 – 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 Position 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	\$7,993,547
Depreciation Expense	<u>(14,707,640)</u>
	(\$6,714,093)

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$2,529,771
Increase in Grants Receivable	<u>7,464,174</u>
	\$9,993,945

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

G.O. Bond Principal Payment	\$4,570,000
Amortization of Deferred Loss on G.O. Bonds	(382,746)
Amortization of Premium on G.O. Bonds	<u>1,018,687</u>
	\$5,205,941

*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$8,628,528
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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 5 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The fund deficits at June 30, 2015 of \$47,549 in the Public School Preschool Fund, \$17,517 in the Alternative Schools Fund, \$10,202 in the Race to the Top Fund, \$820,049 in the Special Education Handicapped Fund, \$187,731 in the Vocational Education Fund, \$15,391 in the Title VII Bilingual Education Program Fund, \$937,130 in the Title I Fund, \$113,838 in the Preschool Grants for the Handicapped Fund, \$375,081 in the Improving Teacher Quality Fund, \$90,588 in the Miscellaneous Federal Grants Fund, and \$362,129 in the Title I School Improvement Stimulus G 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 5705.41 (B), Ohio Revised Code, states no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41 (D), Ohio Revised Code, states in part that encumbrances should be charged against proper appropriations and actual disbursements plus outstanding encumbrances should not be greater than the total appropriations. The District's expenditures exceeded appropriations for the Food Service Fund by \$17,904 and the Public School Preschool Fund by \$10,037. Failure to properly monitor and compare appropriations and actual expenditures could lead to over spending and cause a deficit in the fund balance.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

***Deposits with Financial Institutions***

At June 30, 2015, the carrying amount of all District deposits was \$58,313,443. This does not include cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, at June 30, 2015 the bank balance of cash concentration accounts, savings accounts and certificates of deposit totaled \$60,507,496. Of this amount, \$59,755,017 was exposed to custodial risk as discussed below, while \$752,449 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, 2015, 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, 2015**

**NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Investments**

As of June 30, 2015, the District had the following investments and maturities.

Investment Type	June 30, 2015 Adjusted Cost	June 30, 2015 Fair Value	Investment Maturities (in Years)		
			less than 1	1-2	2-5
Star Ohio	\$7,070,448	\$7,070,448	\$7,070,448	\$0	\$0
Commercial Paper	17,909,554	17,913,596	17,913,596	0	0
US Treasury Securities	35,852,680	35,872,700	28,437,350	0	7,435,350
Non-Callable US Agency Securities	10,284,372	10,271,396	10,271,396	0	0
Total Investments	<u>\$71,117,054</u>	<u>\$71,128,140</u>	<u>\$63,692,790</u>	<u>\$0</u>	<u>\$7,435,350</u>
			<u>89.55%</u>	<u>0.00%</u>	<u>10.45%</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:	361
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	162
The Average Duration of the Entire Investment Portfolio is:	0.44
The Weighted Average Coupon of the Entire Portfolio is:	0.282%
The Weighted Average Yield of the Entire Portfolio is:	0.194%

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, 2015, eighty-nine percent (89.55%) of the investment portfolio matures within one year.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Investment Policy***

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

***Credit Risk***

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

***Concentration of Credit Risk***

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

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

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

**NOTE 6 - 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, 2015:

Concentration of Credit Risk by Investment Type

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$7,070,448	9.94%
Commercial Paper	17,913,596	25.18%
Non-Callable US Agency Securities	35,872,700	50.43%
Callable US Agency Securities	10,271,396	14.45%
Total Investments	<u>\$71,128,140</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, 2015:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$7,070,448	9.94%
Natixis New York Branch	6,213,058	8.74%
Toyota Motor Credit Corporation	3,299,808	4.64%
MUFG Union Bank	3,399,762	4.78%
PNC Bank	5,000,968	7.03%
United States Treasury Securities	35,872,700	50.43%
Federal Home Loan Bank System	7,951,598	11.18%
Federal National Mortgage Association	2,319,798	3.26%
Total Investments	<u>\$71,128,140</u>	<u>100.00%</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 7 - 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 2015 were levied after April 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last equalization adjustment was completed in 2015. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Toledo City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2015, upon which the 2014 levies were based, were as follows:

	2014 Second Half Collections	2015 First Half Collections
Real Estate	\$2,164,563,940	\$2,142,644,850
Tangible Personal and Public Utility Property	135,774,730	145,063,600
Total Assessed Value	<u>\$2,300,338,670</u>	<u>\$2,287,708,450</u>
Tax rate per \$1,000 of assessed valuation	\$67.40	\$67.40

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2015 consisted of taxes receivable, interest receivable, accounts receivable, interfund loans receivable and intergovernmental receivables.

**NOTE 9 - INTERFUND RECEIVABLES/PAYABLES**

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2015 from one individual fund to another are as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$6,466,587	\$0
Other Governmental Funds	<u>0</u>	<u>6,466,587</u>
Totals	<u>\$6,466,587</u>	<u>\$6,466,587</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 10 - TRANSFERS**

Following is a summary of transfers in and out for all funds at June 30, 2015:

	<u>Transfers In:</u>
	Other Governmental Funds
<u>Transfers Out:</u>	
General Fund	\$104,697

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, 2015**

**NOTE 11 - CAPITAL ASSETS**

**Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2015:

*Historical Cost:*

<u>Class</u>	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
<i>Capital assets not being depreciated:</i>				
Land	\$13,897,335	\$0	\$0	\$13,897,335
<i>Capital assets being depreciated:</i>				
Land Improvements	8,533,154	0	0	8,533,154
Buildings	614,842,309	84,741	0	614,927,050
Building Improvements	21,536,494	5,158,436	0	26,694,930
Machinery and Equipment	12,041,704	551,013	0	12,592,717
Vehicles	11,145,403	2,199,357	(940,226)	12,404,534
Total Cost	<u>\$681,996,399</u>	<u>\$7,993,547</u>	<u>(\$940,226)</u>	<u>\$689,049,720</u>

*Accumulated Depreciation:*

<u>Class</u>	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Land Improvements	(\$8,265,710)	(\$94,070)	\$0	(\$8,359,780)
Buildings	(82,485,028)	(12,331,597)	0	(94,816,625)
Building Improvements	(19,269,728)	(772,896)	0	(20,042,624)
Machinery and Equipment	(10,504,451)	(573,301)	0	(11,077,752)
Vehicles	(9,242,436)	(935,776)	940,226	(9,237,986)
Total Depreciation	<u>(\$129,767,353)</u>	<u>(\$14,707,640) *</u>	<u>\$940,226</u>	<u>(\$143,534,767)</u>
<i>Net Value:</i>	<u>\$552,229,046</u>			<u>\$545,514,953</u>

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$12,652,387
Support Services	1,810,759
Non-Instructional Services	158,164
Extracurricular Activities	86,330
Total Depreciation Expense	<u>\$14,707,640</u>

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

**A. Net Pension Liability**

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description**

***School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$4,403,690 for fiscal year 2015. Of this amount \$1,172,116 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description (Continued)**

***State Teachers Retirement System (STRS)***

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

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

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description (Continued)**

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$15,974,530 for fiscal year 2015. Of this amount \$2,561,610 is reported as an intergovernmental payable.

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$65,371,646	\$266,110,874	\$331,482,520
Proportion of the Net Pension Liability	1.291689%	1.0940502%	
Pension Expense	\$3,844,388	\$12,294,078	\$16,138,466

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$556,382	\$2,561,895	\$3,118,277
School District contributions subsequent to the measurement date	4,403,690	15,974,530	20,378,220
Total Deferred Outflows of Resources	<u>\$4,960,072</u>	<u>\$18,536,425</u>	<u>\$23,496,497</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$10,610,000	\$49,231,521	\$59,841,521
Total Deferred Inflows of Resources	<u>\$10,610,000</u>	<u>\$49,231,521</u>	<u>\$59,841,521</u>

\$20,378,220 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2016	(\$2,513,405)	(\$11,667,407)	(\$14,180,812)
2017	(\$2,513,405)	(\$11,667,406)	(\$14,180,811)
2018	(\$2,513,405)	(\$11,667,407)	(\$14,180,812)
2019	(\$2,513,405)	(\$11,667,406)	(\$14,180,811)
Total	<u>(\$10,053,620)</u>	<u>(\$46,669,626)</u>	<u>(\$56,723,246)</u>

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions**

***School Employees Retirement System (SERS)***

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

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

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

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$93,265,913	\$65,371,644	\$41,910,154

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

***State Teachers Retirement System (STRS)***

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$380,966,729	\$266,110,876	\$168,981,470

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**A. School Employee Retirement System**

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2015, 0.82 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount (\$20,450 for 2015), pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

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

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$258,056, \$814,553, and \$799,780 respectively; 81.3% has been contributed for fiscal year 2015 and 100% for fiscal years 2014 and 2013.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2015, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2015, 2014, and 2013 were \$232,955, \$375,010, and \$358,733 respectively; which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. State Teachers Retirement System**

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2015, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$1,152,863, and \$1,109,643 respectively; which were equal to the required contributions for each year.

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

**NOTE 14 - LONG-TERM DEBT**

Long-term debt of the District at June 30, 2015 was as follows:

Description	Balance June 30, 2014	Issued	(Retired)	Balance June 30, 2015	Amount Due Within One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bond:</u>					
School Facility Improvement 2009					
G.O. Bond (2.00% - 5.375%)	\$24,984,995	\$0	(\$725,000)	\$24,259,995	\$775,000
Premium General Obligation Bond	300,137	0	(13,643)	286,494	13,643
School Facility Improvement 2012					
G.O. Bond (2.00% - 5.375%)	52,320,000	0	(25,000)	52,295,000	4,330,000
Premium General Obligation Bond	5,899,482	0	(536,317)	5,363,165	536,317
School Facility Improvement 2012B					
G.O. Bond (2.00% - 5.375%)	34,215,000	0	(2,335,000)	31,880,000	50,000
Premium General Obligation Bond	4,519,178	0	(237,852)	4,281,326	237,852
School Facility Improvement 2014					
G.O. Bond (2.00% - 5.00%)	32,335,000	0	(1,485,000)	30,850,000	25,000
Premium General Obligation Bond	4,155,742	0	(230,875)	3,924,867	230,875
Total General Obligation Bond	158,729,534	0	(5,588,687)	153,140,847	6,198,687
<u>(Net Pension Liability)</u>					
School Teachers Retirement System	316,989,532	0	(50,878,658)	266,110,874	0
School Employees Retirement System	76,812,599	0	(11,440,953)	65,371,646	0
Total Net Pension Liability	393,802,131	0	(62,319,611)	331,482,520	0
<u>Other Obligations:</u>					
Compensated Absences	22,799,339	14,170,811	(22,799,339)	14,170,811	1,131,808
Long-Term Debt and Other Long-Term Obligations	\$575,331,004	\$14,170,811	(90,707,637)	\$498,794,178	\$7,330,495

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**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, 2015, follows:

<u>General Obligation Bonds Payable</u>			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	5,180,000	6,427,331	11,607,331
2017	5,425,000	6,174,144	11,599,144
2018	5,198,783	6,393,267	11,592,050
2019	5,386,212	6,187,838	11,574,050
2020	6,145,000	5,449,578	11,594,578
2021-2025	34,985,000	22,618,685	57,603,685
2026-2030	42,160,000	13,765,089	55,925,089
2031-2035	32,860,000	3,531,333	36,391,333
2036	1,945,000	52,272	1,997,272
Totals	<u>\$139,284,995</u>	<u>\$70,599,537</u>	<u>\$209,884,532</u>

**B. Refunded General Obligation Debt**

On January 19, 2012, the District refunded \$54,385,000 of outstanding bonds (the "2003 Bonds") with an interest rate of 4.6% with \$60,063,433 of refunding bonds, including premium, issued in January 2012. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. The refunded bonds have been paid in full as of June 30, 2015.

On November 6, 2012, the District refunded \$37,010,000 of outstanding bonds (the "2003B Bonds") with an interest rate of 4.62% with \$39,259,882 of refunding bonds, including premium, with an all in cost interest rate of 3.33%. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. The refunded bonds have been paid in full as of June 30, 2015.

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 14 - LONG-TERM DEBT (Continued)**

**B. Refunded General Obligation Debt (Continued)**

On May 21, 2014, the District refunded \$36,240,000 of outstanding bonds (the “2003 Bonds” and the “2003B Bonds”) with an interest rate of 4.64% with \$36,721,617 of refunding bonds, including premium, with an all in cost interest rate of 3.81%. The remaining principal amounts of the 2003 and 2003B bonds were paid off during 2014. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. This transaction resulted in an aggregate savings to the District of \$4,588,648 in debt service payments and an economic gain of \$2,908,991. The refunded bonds have been paid in full as of June 30, 2015.

**NOTE 15 - ENDOWMENTS**

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. Under the terms of the endowment/trust, and consistent with State statutes, the District is authorized to spend the net appreciation from the trust for any disbursements that are consistent with the original trust agreement. At June 30, 2015, accumulated available net appreciation of \$232,740 is reported in restricted Net Position.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 16 - 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 \$5,634,600 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$477,115 (Intergovernmental Payable) in the Workers Compensation Self-Insurance Fund is based on the requirements of Government Accounting Standards Board Statement 10 as amended by Government Accounting Standards Board Statement 30. This statement requires that a liability for claims be reported if information indicates, prior to the issuance of the financial statements, that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities are considered current and due within one year.

Changes in the fund's claims liability amount in 2014 and 2015 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>
2014	\$4,812,034	47,399,939	(46,557,591)	\$5,654,382
2015	5,654,382	53,148,321	(52,690,988)	6,111,715

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**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015**

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**NOTE 17 – 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, 2015, the reserve activity (cash-basis) was as follows:

	Capital Maintenance
Set-aside Balance as of June 30, 2014	\$0
Current Year Set-Aside Requirement	3,694,419
Current Year Offset Credits	7,008,972
Qualifying Disbursements	<u>(14,918,999)</u>
Total	<u>(\$4,215,608)</u>
Set-aside Balance Carried Forward to FY 2016	<u><u>\$0</u></u>

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

**NOTE 18 – SIGNIFICANT COMMITMENTS**

Significant encumbrances outstanding at year-end in the General Fund are \$11,016,098 and are reported as assigned fund balance. Also, in the Permanent Improvement Fund, Locally Funded Initiative Fund and the Classroom Facilities Fund (capital projects funds) there are significant encumbrances outstanding in the amounts of \$2,258,225, \$636,704 and \$18,500,000, respectively. These amounts are reported as part of the restricted fund balance.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015***

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**NOTE 19 - 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, 2015.

**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, 2015. The District's management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the District.

**C. School Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 20 – SUBSEQUENT EVENT**

In December 2015, the District refunded \$21,995,000 of the School Facilities Improvement Bonds, Series 2009.



**TOLEDO CITY SCHOOL DISTRICT**

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

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Fiscal Year	<u>2013</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	1.09405021%	1.09405021%
District's proportionate share of the net pension liability (asset)	\$316,989,532	\$266,110,874
District's covered-employee payroll	\$119,500,061	\$115,286,315
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	265.26%	230.83%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.70%

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

**School Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	1.291689%	1.291689%
District's proportionate share of the net pension liability (asset)	\$76,812,599	\$65,371,646
District's covered-employee payroll	\$49,037,861	\$37,746,919
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	156.64%	173.18%
Plan fiduciary net position as a percentage of the total pension liability	65.52%	71.70%

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

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

**TOLEDO CITY SCHOOL DISTRICT**

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***Required Supplemental Information  
Schedule of District Contributions  
Last Ten Fiscal Years***

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Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Contractually required contribution	\$17,634,310	\$16,974,965	\$16,735,409	\$17,543,409
Contributions in relation to the contractually required contribution	<u>17,634,310</u>	<u>16,974,965</u>	<u>16,735,409</u>	<u>17,543,409</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$135,648,538	\$130,576,654	\$128,733,915	\$134,949,300
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%

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

**School Employees Retirement System**

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Contractually required contribution	\$4,168,816	\$4,547,667	\$3,878,404	\$4,206,668
Contributions in relation to the contractually required contribution	<u>4,168,816</u>	<u>4,547,667</u>	<u>3,878,404</u>	<u>4,206,668</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$39,402,798	\$42,581,152	\$39,494,949	\$42,750,691
Contributions as a percentage of covered-employee payroll	10.58%	10.68%	9.82%	9.84%

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

Notes: The District implemented GASB Statement 68 in 2015.

**TOLEDO CITY SCHOOL DISTRICT**

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$17,824,505	\$15,853,676	\$11,793,968	\$15,535,008	\$14,987,221	\$15,974,530
<u>17,824,505</u>	<u>15,853,676</u>	<u>11,793,968</u>	<u>15,535,008</u>	<u>14,987,221</u>	<u>15,974,530</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$137,111,577	\$121,951,354	\$90,722,831	\$119,500,061	\$115,286,315	\$114,103,786
13.00%	13.00%	13.00%	13.00%	13.00%	14.00%

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$5,599,201	\$4,769,037	\$4,435,526	\$6,786,840	\$5,231,723	\$4,403,690
<u>5,599,201</u>	<u>4,769,037</u>	<u>4,435,526</u>	<u>6,786,840</u>	<u>5,231,723</u>	<u>4,403,690</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$41,353,035	\$37,939,833	\$32,977,888	\$49,037,861	\$37,746,919	\$33,411,912
13.54%	12.57%	13.45%	13.84%	13.86%	13.18%



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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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***

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**Administratively Managed Student Activity Fund**

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

**Auxiliary Services Program Fund**

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

**Management Information System Fund**

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

**Public School Preschool Fund**

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

**Data Communication Fund**

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

**Vocational Education Enhancement Fund**

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

**Alternative Schools Fund**

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

**Miscellaneous State Fund**

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

(Continued)

***Special Revenue Funds***

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**Race to the Top Fund**

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

**Special Education Handicapped Fund**

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

**Vocational Education Fund**

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

**Title VII Bilingual Education Program Fund**

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

**Title I Fund**

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

**Drug Free School Grant Fund**

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

**Preschool Grants for the Handicapped Fund**

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

**Improving Teacher Quality Fund**

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

(Continued)

***Special Revenue Funds***

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**Miscellaneous Federal Grants Fund**

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

**Title I School Improvement Stimulus A Fund**

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

**Title I School Improvement Stimulus G Fund**

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

**Head Start Fund**

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

***Capital Projects Fund***

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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***

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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, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 24,848,774	\$ 2,266,880	\$ 734,226	\$ 27,849,880
Cash with Fiscal Agent	0	72,725	0	72,725
Receivables:				
Taxes	1,013,267	3,535,320	0	4,548,587
Accounts	50,379	2,200	0	52,579
Intergovernmental	20,147,940	0	0	20,147,940
Interest	41,529	5,724	1,905	49,158
Inventory Held for Resale	229,374	0	0	229,374
<b>Total Assets</b>	<b>\$ 46,331,263</b>	<b>\$ 5,882,849</b>	<b>\$ 736,131</b>	<b>\$ 52,950,243</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,344,385	\$ 295,742	\$ 100	\$ 2,640,227
Accrued Wages and Benefits	4,111,577	0	0	4,111,577
Intergovernmental Payable	760,338	0	0	760,338
Retainage Payable	0	72,725	0	72,725
Interfund Loans Payable	4,766,587	1,700,000	0	6,466,587
<b>Total Liabilities</b>	<b>11,982,887</b>	<b>2,068,467</b>	<b>100</b>	<b>14,051,454</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	17,891,674	0	0	17,891,674
Property Tax for Next Fiscal Year	952,269	3,352,327	0	4,304,596
<b>Total Deferred Inflows of Resources</b>	<b>18,843,943</b>	<b>3,352,327</b>	<b>0</b>	<b>22,196,270</b>
<b>Fund Balances:</b>				
Nonspendable	229,374	0	503,291	732,665
Restricted	18,252,264	462,055	232,740	18,947,059
Unassigned	(2,977,205)	0	0	(2,977,205)
<b>Total Fund Balances</b>	<b>15,504,433</b>	<b>462,055</b>	<b>736,031</b>	<b>16,702,519</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 46,331,263</b>	<b>\$ 5,882,849</b>	<b>\$ 736,131</b>	<b>\$ 52,950,243</b>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 969,039	\$ 1,675,792	\$ 0	\$ 2,644,831
Tuition	240,853	0	0	240,853
Food Services	546,704	0	0	546,704
Investment Earnings	52,339	5,331	1,353	59,023
Extracurricular Activities	347,935	0	0	347,935
Class Materials and Fees	2,636	0	0	2,636
Intergovernmental - State	5,364,154	77,891	0	5,442,045
Intergovernmental - Federal	47,601,237	0	0	47,601,237
All Other Revenue	1,480,882	2,200	0	1,483,082
<b>Total Revenue</b>	<b>56,605,779</b>	<b>1,761,214</b>	<b>1,353</b>	<b>58,368,346</b>
<b>Expenditures:</b>				
Current:				
Instruction	21,207,778	231,080	382	21,439,240
Supporting Services	19,903,219	1,837,622	136,501	21,877,342
Operation of Non-Instructional Services	21,438,803	0	0	21,438,803
Extracurricular Activities	488,379	0	0	488,379
Capital Outlay	0	1,392,087	0	1,392,087
<b>Total Expenditures</b>	<b>63,038,179</b>	<b>3,460,789</b>	<b>136,883</b>	<b>66,635,851</b>
Excess (Deficiency) of Revenues Over Expenditures	(6,432,400)	(1,699,575)	(135,530)	(8,267,505)
<b>Other Financing Sources (Uses):</b>				
Transfers In	104,697	0	0	104,697
<b>Total Other Financing Sources (Uses)</b>	<b>104,697</b>	<b>0</b>	<b>0</b>	<b>104,697</b>
Net Change in Fund Balance	(6,327,703)	(1,699,575)	(135,530)	(8,162,808)
<b>Fund Balances at Beginning of Year, Restated</b>	<b>21,832,136</b>	<b>2,161,630</b>	<b>871,561</b>	<b>24,865,327</b>
<b>Fund Balances End of Year</b>	<b>\$ 15,504,433</b>	<b>\$ 462,055</b>	<b>\$ 736,031</b>	<b>\$ 16,702,519</b>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2015**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 967,064	\$ 674,550	\$ 370,324	\$ 13,633,779
Receivables:				
Taxes	0	0	0	1,013,267
Accounts	5,484	43,368	0	0
Intergovernmental	0	25,352	0	0
Interest	46	0	0	36,067
Inventory Held for Resale	229,374	0	0	0
<b>Total Assets</b>	<b>\$ 1,201,968</b>	<b>\$ 743,270</b>	<b>\$ 370,324</b>	<b>\$ 14,683,113</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 185,064	\$ 9,213	\$ 21,513	\$ 227,693
Accrued Wages and Benefits	56,683	49,475	11,556	0
Intergovernmental Payable	167,257	25,158	7,241	5,025
Interfund Loans Payable	10,005	9,240	129,704	0
<b>Total Liabilities</b>	<b>419,009</b>	<b>93,086</b>	<b>170,014</b>	<b>232,718</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
Property Tax for Next Fiscal Year	0	0	0	952,269
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>952,269</b>
<b>Fund Balances:</b>				
Nonspendable	229,374	0	0	0
Restricted	553,585	650,184	200,310	13,498,126
Unassigned	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>782,959</b>	<b>650,184</b>	<b>200,310</b>	<b>13,498,126</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,201,968</b>	<b>\$ 743,270</b>	<b>\$ 370,324</b>	<b>\$ 14,683,113</b>

**TOLEDO CITY SCHOOL DISTRICT**

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Administratively Managed Student Activity	Auxiliary Services Program	Management Information System	Public School Preschool	Data Communication	Vocational Education Enhancement
\$ 276,839	\$ 2,640,917	\$ 29,530	\$ 111,473	\$ 253,971	\$ 24,333
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	108,541	146,112	13,168
832	4,584	0	0	0	0
0	0	0	0	0	0
<u>\$ 277,671</u>	<u>\$ 2,645,501</u>	<u>\$ 29,530</u>	<u>\$ 220,014</u>	<u>\$ 400,083</u>	<u>\$ 37,501</u>
\$ 30,849	\$ 959,567	\$ 0	\$ 67,160	\$ 185,201	\$ 6,885
0	162,085	0	0	0	0
0	24,495	0	1,862	0	0
0	537,794	0	90,000	96,000	10,052
<u>30,849</u>	<u>1,683,941</u>	<u>0</u>	<u>159,022</u>	<u>281,201</u>	<u>16,937</u>
0	0	0	108,541	75,788	7,168
0	0	0	0	0	0
0	0	0	108,541	75,788	7,168
0	0	0	0	0	0
246,822	961,560	29,530	0	43,094	13,396
0	0	0	(47,549)	0	0
<u>246,822</u>	<u>961,560</u>	<u>29,530</u>	<u>(47,549)</u>	<u>43,094</u>	<u>13,396</u>
<u>\$ 277,671</u>	<u>\$ 2,645,501</u>	<u>\$ 29,530</u>	<u>\$ 220,014</u>	<u>\$ 400,083</u>	<u>\$ 37,501</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2015**

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Special Education Handicapped
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 0	\$ 21,976	\$ 110,937	\$ 305,410
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	21,268	224	400,234	2,927,222
Interest	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<b>\$ 21,268</b>	<b>\$ 22,200</b>	<b>\$ 511,171</b>	<b>\$ 3,232,632</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 35,204	\$ 42,721
Accrued Wages and Benefits	8,190	0	281,103	711,094
Intergovernmental Payable	5,954	5,729	4,852	120,833
Interfund Loans Payable	3,373	7,650	133,250	250,811
<b>Total Liabilities</b>	<b>17,517</b>	<b>13,379</b>	<b>454,409</b>	<b>1,125,459</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	21,268	0	66,964	2,927,222
Property Tax for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>21,268</b>	<b>0</b>	<b>66,964</b>	<b>2,927,222</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	0	8,821	0	0
Unassigned	(17,517)	0	(10,202)	(820,049)
<b>Total Fund Balances (Deficit)</b>	<b>(17,517)</b>	<b>8,821</b>	<b>(10,202)</b>	<b>(820,049)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 21,268</b>	<b>\$ 22,200</b>	<b>\$ 511,171</b>	<b>\$ 3,232,632</b>

**TOLEDO CITY SCHOOL DISTRICT**

Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped	Improving Teacher Quality
\$ 24,275	\$ 4,517	\$ 2,604,979	\$ 45,000	\$ 77,573	\$ 173,382
0	0	0	0	0	0
0	0	1,527	0	0	0
159,884	81,207	4,994,156	0	169,570	2,153,471
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 184,159</u>	<u>\$ 85,724</u>	<u>\$ 7,600,662</u>	<u>\$ 45,000</u>	<u>\$ 247,143</u>	<u>\$ 2,326,853</u>
\$ 25,008	\$ 108	\$ 307,680	\$ 0	\$ 49,280	\$ 45,774
49,994	11,560	2,126,303	0	14,179	297,776
22,163	740	254,653	0	4,952	49,913
114,841	7,500	855,000	2,892	123,000	155,000
<u>212,006</u>	<u>19,908</u>	<u>3,543,636</u>	<u>2,892</u>	<u>191,411</u>	<u>548,463</u>
159,884	81,207	4,994,156	0	169,570	2,153,471
0	0	0	0	0	0
<u>159,884</u>	<u>81,207</u>	<u>4,994,156</u>	<u>0</u>	<u>169,570</u>	<u>2,153,471</u>
0	0	0	0	0	0
0	0	0	42,108	0	0
(187,731)	(15,391)	(937,130)	0	(113,838)	(375,081)
<u>(187,731)</u>	<u>(15,391)</u>	<u>(937,130)</u>	<u>42,108</u>	<u>(113,838)</u>	<u>(375,081)</u>
<u>\$ 184,159</u>	<u>\$ 85,724</u>	<u>\$ 7,600,662</u>	<u>\$ 45,000</u>	<u>\$ 247,143</u>	<u>\$ 2,326,853</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2015**

	Miscellaneous Federal Grants	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Head Start	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 280,823	\$ 574,812	\$ 1,539	\$ 1,640,771	\$ 24,848,774
Receivables:					
Taxes	0	0	0	0	1,013,267
Accounts	0	0	0	0	50,379
Intergovernmental	3,776,597	779,187	122,874	4,268,873	20,147,940
Interest	0	0	0	0	41,529
Inventory Held for Resale	0	0	0	0	229,374
<b>Total Assets</b>	<b>\$ 4,057,420</b>	<b>\$ 1,353,999</b>	<b>\$ 124,413</b>	<b>\$ 5,909,644</b>	<b>\$ 46,331,263</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 70,451	\$ 14,353	\$ 10,900	\$ 49,761	\$ 2,344,385
Accrued Wages and Benefits	0	3,438	328,141	0	4,111,577
Intergovernmental Payable	567	2,585	24,627	31,732	760,338
Interfund Loans Payable	436,309	115,866	0	1,678,300	4,766,587
<b>Total Liabilities</b>	<b>507,327</b>	<b>136,242</b>	<b>363,668</b>	<b>1,759,793</b>	<b>11,982,887</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	3,640,681	779,187	122,874	2,583,693	17,891,674
Property Tax for Next Fiscal Year	0	0	0	0	952,269
<b>Total Deferred Inflows of Resources</b>	<b>3,640,681</b>	<b>779,187</b>	<b>122,874</b>	<b>2,583,693</b>	<b>18,843,943</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	229,374
Restricted	0	438,570	0	1,566,158	18,252,264
Unassigned	(90,588)	0	(362,129)	0	(2,977,205)
<b>Total Fund Balances (Deficit)</b>	<b>(90,588)</b>	<b>438,570</b>	<b>(362,129)</b>	<b>1,566,158</b>	<b>15,504,433</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,057,420</b>	<b>\$ 1,353,999</b>	<b>\$ 124,413</b>	<b>\$ 5,909,644</b>	<b>\$ 46,331,263</b>



**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, 2015**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 969,039
Tuition	0	213,103	0	0
Food Service	546,704	0	0	0
Investment Earnings	77	0	0	46,654
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
State Sources	181,047	172,933	0	1,246,102
Federal Sources	9,946,423	797,769	0	0
Miscellaneous Revenue	38,956	0	600,875	806,109
<b>Total Revenue</b>	<u>10,713,207</u>	<u>1,183,805</u>	<u>600,875</u>	<u>3,067,904</u>
<b>Expenditures:</b>				
Current:				
Instruction	0	1,173,484	10,436	0
Support Services	229,847	53,420	1,140,357	4,915,600
Non-Instructional Services	10,526,538	0	0	0
Extracurricular Activities	0	0	0	0
Debt Service:				
<b>Total Expenditures</b>	<u>10,756,385</u>	<u>1,226,904</u>	<u>1,150,793</u>	<u>4,915,600</u>
Excess (Deficiency) of Revenues Over Expenditures	(43,178)	(43,099)	(549,918)	(1,847,696)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(43,178)	(43,099)	(549,918)	(1,847,696)
<b>Fund Balances (Deficits)</b>				
at Beginning of Year, Restated	826,137	693,283	750,228	15,345,822
<b>Fund Balances (Deficits) End of Year</b>	<u>\$ 782,959</u>	<u>\$ 650,184</u>	<u>\$ 200,310</u>	<u>\$ 13,498,126</u>

**TOLEDO CITY SCHOOL DISTRICT**

Administratively Managed Student Activity	Auxiliary Services Program	Management Information System	Public School Preschool	Data Communication	Vocational Education Enhancement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	27,750	0	0
0	0	0	0	0	0
697	4,911	0	0	0	0
347,935	0	0	0	0	0
2,636	0	0	0	0	0
0	3,021,759	0	175,458	269,063	21,381
0	0	0	0	0	0
25,891	0	0	0	0	9,051
<u>377,159</u>	<u>3,026,670</u>	<u>0</u>	<u>203,208</u>	<u>269,063</u>	<u>30,432</u>
3,004	80,916	0	245,832	0	0
0	55,100	0	33,325	279,714	0
0	3,135,398	0	0	0	0
488,379	0	0	0	0	0
<u>491,383</u>	<u>3,271,414</u>	<u>0</u>	<u>279,157</u>	<u>279,714</u>	<u>0</u>
(114,224)	(244,744)	0	(75,949)	(10,651)	30,432
<u>104,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>104,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(9,527)	(244,744)	0	(75,949)	(10,651)	30,432
<u>256,349</u>	<u>1,206,304</u>	<u>29,530</u>	<u>28,400</u>	<u>53,745</u>	<u>(17,036)</u>
<u>\$ 246,822</u>	<u>\$ 961,560</u>	<u>\$ 29,530</u>	<u>\$ (47,549)</u>	<u>\$ 43,094</u>	<u>\$ 13,396</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, 2015**

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Special Education Handicapped
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0
Food Service	0	0	0	0
Investment Earnings	0	0	0	0
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
State Sources	205,278	71,133	0	0
Federal Sources	0	0	1,274,892	5,059,452
Miscellaneous Revenue	0	0	0	0
<b>Total Revenue</b>	<u>205,278</u>	<u>71,133</u>	<u>1,274,892</u>	<u>5,059,452</u>
<b>Expenditures:</b>				
Current:				
Instruction	134,353	0	618,487	3,584,785
Support Services	89,997	86,306	807,322	2,146,899
Non-Instructional Services	0	0	0	302,151
Extracurricular Activities	0	0	0	0
Debt Service:				
<b>Total Expenditures</b>	<u>224,350</u>	<u>86,306</u>	<u>1,425,809</u>	<u>6,033,835</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,072)	(15,173)	(150,917)	(974,383)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(19,072)	(15,173)	(150,917)	(974,383)
<b>Fund Balances (Deficits) at Beginning of Year, Restated</b>	<u>1,555</u>	<u>23,994</u>	<u>140,715</u>	<u>154,334</u>
<b>Fund Balances (Deficits) End of Year</b>	<u>\$ (17,517)</u>	<u>\$ 8,821</u>	<u>\$ (10,202)</u>	<u>\$ (820,049)</u>

**TOLEDO CITY SCHOOL DISTRICT**

Vocational Education	Title VII Bilingual Education Program	Title I	Drug Free School Grants	Preschool Grants for the Handicapped	Improving Teacher Quality
\$ 0	\$ 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
970,910	65,373	15,321,458	0	140,683	2,216,408
0	0	0	0	0	0
<u>970,910</u>	<u>65,373</u>	<u>15,321,458</u>	<u>0</u>	<u>140,683</u>	<u>2,216,408</u>
342,019	22,303	10,989,249	0	211,123	2,275,566
769,332	57,082	6,368,727	0	42,901	648,179
0	0	458,151	0	0	97,587
0	0	0	0	0	0
<u>1,111,351</u>	<u>79,385</u>	<u>17,816,127</u>	<u>0</u>	<u>254,024</u>	<u>3,021,332</u>
(140,441)	(14,012)	(2,494,669)	0	(113,341)	(804,924)
0	0	0	0	0	0
0	0	0	0	0	0
(140,441)	(14,012)	(2,494,669)	0	(113,341)	(804,924)
(47,290)	(1,379)	1,557,539	42,108	(497)	429,843
<u>\$ (187,731)</u>	<u>\$ (15,391)</u>	<u>\$ (937,130)</u>	<u>\$ 42,108</u>	<u>\$ (113,838)</u>	<u>\$ (375,081)</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, 2015**

	Miscellaneous Federal Grants	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Head Start	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 969,039
Tuition	0	0	0	0	240,853
Food Service	0	0	0	0	546,704
Investment Earnings	0	0	0	0	52,339
Extracurricular Activities	0	0	0	0	347,935
Classroom Materials and Fees	0	0	0	0	2,636
State Sources	0	0	0	0	5,364,154
Federal Sources	792,600	1,417,232	1,058,513	8,539,524	47,601,237
Miscellaneous Revenue	0	0	0	0	1,480,882
<b>Total Revenue</b>	<b>792,600</b>	<b>1,417,232</b>	<b>1,058,513</b>	<b>8,539,524</b>	<b>56,605,779</b>
<b>Expenditures:</b>					
Current:					
Instruction	402,923	433,240	680,058	0	21,207,778
Support Services	398,956	1,038,886	686,881	54,388	19,903,219
Non-Instructional Services	0	0	0	6,918,978	21,438,803
Extracurricular Activities	0	0	0	0	488,379
Debt Service:					
<b>Total Expenditures</b>	<b>801,879</b>	<b>1,472,126</b>	<b>1,366,939</b>	<b>6,973,366</b>	<b>63,038,179</b>
Excess (Deficiency) of Revenues Over Expenditures	(9,279)	(54,894)	(308,426)	1,566,158	(6,432,400)
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	104,697
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,697</b>
Net Change in Fund Balance	(9,279)	(54,894)	(308,426)	1,566,158	(6,327,703)
<b>Fund Balances (Deficits)</b>					
at Beginning of Year, Restated	(81,309)	493,464	(53,703)	0	21,832,136
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ (90,588)</b>	<b>\$ 438,570</b>	<b>\$ (362,129)</b>	<b>\$ 1,566,158</b>	<b>\$ 15,504,433</b>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	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>\$ 322,036,615</u>	<u>\$ 321,977,216</u>	<u>\$ 347,166,176</u>	<u>\$ 25,188,960</u>
Total Expenditures and Other Financing Uses	<u>347,775,106</u>	<u>382,038,632</u>	<u>339,719,086</u>	<u>42,319,546</u>
Net Change in Fund Balances	(25,738,491)	(60,061,416)	7,447,090	67,508,506
Fund Balance at Beginning of Year	19,936,218	19,936,218	19,936,218	0
Prior Year Encumbrances	<u>8,764,418</u>	<u>8,764,418</u>	<u>8,764,418</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,962,145</u>	<u>\$ (31,360,780)</u>	<u>\$ 36,147,726</u>	<u>\$ 67,508,506</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 11,772,015</u>	<u>\$ 12,140,199</u>	<u>\$ 368,184</u>
Total Expenditures and Other Financing Uses	<u>11,442,267</u>	<u>11,427,890</u>	<u>14,377</u>
Net Change in Fund Balances	329,748	712,309	382,561
Fund Balance at Beginning of Year	<u>2,979,260</u>	<u>2,979,260</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,309,008</u>	<u>\$ 3,691,569</u>	<u>\$ 382,561</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**LOCALLY FUNDED INITIATIVE FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 5,300</u>	<u>\$ 4,753</u>	<u>\$ (547)</u>
Total Expenditures and Other Financing Uses	<u>7,141,602</u>	<u>6,936,145</u>	<u>205,457</u>
Net Change in Fund Balances	(7,136,302)	(6,931,392)	204,910
Fund Balance at Beginning of Year	1,805,802	1,805,802	0
Prior Year Encumbrances	<u>5,332,674</u>	<u>5,332,674</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,174</u>	<u>\$ 207,084</u>	<u>\$ 204,910</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**CLASSROOM FACILITIES FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative) <u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 73,600</u>	<u>\$ 47,825</u>	<u>\$ (25,775)</u>
Total Expenditures and Other Financing Uses	<u>44,566,885</u>	<u>18,499,998</u>	<u>26,066,887</u>
Net Change in Fund Balances	(44,493,285)	(18,452,173)	26,041,112
Fund Balance at Beginning of Year	8,931,391	8,931,391	0
Prior Year Encumbrances	<u>18,500,000</u>	<u>18,500,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (17,061,894)</u>	<u>\$ 8,979,218</u>	<u>\$ 26,041,112</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 10,803,070</u>	<u>\$ 10,435,772</u>	<u>\$ (367,298)</u>
Total Expenditures and Other Financing Uses	<u>10,793,000</u>	<u>10,810,904</u>	<u>(17,904)</u>
Net Change in Fund Balances	10,070	(375,132)	(385,202)
Fund Balance at Beginning of Year	637,022	637,022	0
Prior Year Encumbrances	<u>334,171</u>	<u>334,171</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 981,263</u>	<u>\$ 596,061</u>	<u>\$ (385,202)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 639,050</u>	<u>\$ 177,020</u>	<u>\$ (462,030)</u>
Total Expenditures and Other Financing Uses	<u>726,111</u>	<u>195,455</u>	<u>530,656</u>
Net Change in Fund Balances	(87,061)	(18,435)	68,626
Fund Balance at Beginning of Year	514,346	514,346	0
Prior Year Encumbrances	<u>9,336</u>	<u>9,336</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 436,621</u>	<u>\$ 505,247</u>	<u>\$ 68,626</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 274,473</u>	<u>\$ 70,565</u>	<u>\$ (203,908)</u>
Total Expenditures and Other Financing Uses	<u>322,183</u>	<u>102,635</u>	<u>219,548</u>
Net Change in Fund Balances	(47,710)	(32,070)	15,640
Fund Balance at Beginning of Year	126,317	126,317	0
Prior Year Encumbrances	<u>11,767</u>	<u>11,767</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 90,374</u>	<u>\$ 106,014</u>	<u>\$ 15,640</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,270,000</u>	<u>\$ 1,166,027</u>	<u>\$ (103,973)</u>
Total Expenditures and Other Financing Uses	<u>1,297,385</u>	<u>1,239,076</u>	<u>58,309</u>
Net Change in Fund Balances	(27,385)	(73,049)	(45,664)
Fund Balance at Beginning of Year	721,192	721,192	0
Prior Year Encumbrances	<u>5,295</u>	<u>5,295</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 699,102</u>	<u>\$ 653,438</u>	<u>\$ (45,664)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,185,460</u>	<u>\$ 237,940</u>	<u>\$ (947,520)</u>
Total Expenditures and Other Financing Uses	<u>1,274,538</u>	<u>336,612</u>	<u>937,926</u>
Net Change in Fund Balances	(89,078)	(98,672)	(9,594)
Fund Balance at Beginning of Year	573,162	573,162	0
Prior Year Encumbrances	<u>42,378</u>	<u>42,378</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 526,462</u>	<u>\$ 516,868</u>	<u>\$ (9,594)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,813,432</u>	<u>\$ 1,711,585</u>	<u>\$ (101,847)</u>
Total Expenditures and Other Financing Uses	<u>2,563,564</u>	<u>2,167,487</u>	<u>396,077</u>
Net Change in Fund Balances	(750,132)	(455,902)	294,230
Fund Balance at Beginning of Year	783,344	783,344	0
Prior Year Encumbrances	<u>9,695</u>	<u>9,695</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,907</u>	<u>\$ 337,137</u>	<u>\$ 294,230</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**SCHOOL FACILITIES MAINTENANCE FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,960,000</u>	<u>\$ 3,050,782</u>	<u>\$ 1,090,782</u>
Total Expenditures and Other Financing Uses	<u>13,350,545</u>	<u>13,052,301</u>	<u>298,244</u>
Net Change in Fund Balances	(11,390,545)	(10,001,519)	1,389,026
Fund Balance at Beginning of Year	14,349,561	14,349,561	0
Prior Year Encumbrances	<u>1,108,083</u>	<u>1,108,083</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,067,099</u>	<u>\$ 5,456,125</u>	<u>\$ 1,389,026</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**ADMINISTRATIVELY MANAGED STUDENT ACTIVITY FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 964,951</u>	<u>\$ 494,541</u>	<u>\$ (470,410)</u>
Total Expenditures and Other Financing Uses	<u>1,288,959</u>	<u>533,897</u>	<u>755,062</u>
Net Change in Fund Balances	(324,008)	(39,356)	284,652
Fund Balance at Beginning of Year	249,483	249,483	0
Prior Year Encumbrances	<u>20,260</u>	<u>20,260</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (54,265)</u>	<u>\$ 230,387</u>	<u>\$ 284,652</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**AUXILIARY SERVICES FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,602,665</u>	<u>\$ 4,113,364</u>	<u>\$ 510,699</u>
Total Expenditures and Other Financing Uses	<u>5,196,544</u>	<u>4,986,356</u>	<u>210,188</u>
Net Change in Fund Balances	(1,593,879)	(872,992)	720,887
Fund Balance at Beginning of Year	1,780,071	1,780,071	0
Prior Year Encumbrances	<u>379,518</u>	<u>379,518</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 565,710</u>	<u>\$ 1,286,597</u>	<u>\$ 720,887</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**MANAGEMENT INFORMATION SYSTEM FUND**

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

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 302,816</u>	<u>\$ 342,277</u>	<u>\$ 39,461</u>
Total Expenditures and Other Financing Uses	<u>323,139</u>	<u>333,176</u>	<u>(10,037)</u>
Net Change in Fund Balances	(20,323)	9,101	29,424
Fund Balance at Beginning of Year	<u>16,150</u>	<u>16,150</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (4,173)</u>	<u>\$ 25,251</u>	<u>\$ 29,424</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**DATA COMMUNICATION FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 344,850</u>	<u>\$ 345,720</u>	<u>\$ 870</u>
Total Expenditures and Other Financing Uses	<u>401,141</u>	<u>398,035</u>	<u>3,106</u>
Net Change in Fund Balances	(56,291)	(52,315)	3,976
Fund Balance at Beginning of Year	20,125	20,125	0
Prior Year Encumbrances	<u>48,510</u>	<u>48,510</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,344</u>	<u>\$ 16,320</u>	<u>\$ 3,976</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 37,378</u>	<u>\$ 34,210</u>	<u>\$ (3,168)</u>
Total Expenditures and Other Financing Uses	<u>45,672</u>	<u>41,472</u>	<u>4,200</u>
Net Change in Fund Balances	(8,294)	(7,262)	1,032
Fund Balance at Beginning of Year	18,384	18,384	0
Prior Year Encumbrances	<u>2,923</u>	<u>2,923</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,013</u>	<u>\$ 14,045</u>	<u>\$ 1,032</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**ALTERNATIVE SCHOOLS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 233,722</u>	<u>\$ 215,204</u>	<u>\$ (18,518)</u>
Total Expenditures and Other Financing Uses	<u>238,030</u>	<u>219,459</u>	<u>18,571</u>
Net Change in Fund Balances	(4,308)	(4,255)	53
Fund Balance at Beginning of Year	3,343	3,343	0
Prior Year Encumbrances	<u>289</u>	<u>289</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (676)</u>	<u>\$ (623)</u>	<u>\$ 53</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**MISCELLANEOUS STATE GRANTS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 78,800</u>	<u>\$ 91,996</u>	<u>\$ 13,196</u>
Total Expenditures and Other Financing Uses	<u>97,083</u>	<u>95,881</u>	<u>1,202</u>
Net Change in Fund Balances	(18,283)	(3,885)	14,398
Fund Balance at Beginning of Year	25,438	25,438	0
Prior Year Encumbrances	<u>423</u>	<u>423</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,578</u>	<u>\$ 21,976</u>	<u>\$ 14,398</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,479,569</u>	<u>\$ 1,212,290</u>	<u>\$ (267,279)</u>
Total Expenditures and Other Financing Uses	<u>1,797,498</u>	<u>1,544,315</u>	<u>253,183</u>
Net Change in Fund Balances	(317,929)	(332,025)	(14,096)
Fund Balance at Beginning of Year	311,151	311,151	0
Prior Year Encumbrances	<u>64,477</u>	<u>64,477</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,699</u>	<u>\$ 43,603</u>	<u>\$ (14,096)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**SPECIAL EDUCATION HANDICAPPED FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 8,478,482</u>	<u>\$ 5,985,703</u>	<u>\$ (2,492,779)</u>
Total Expenditures and Other Financing Uses	<u>8,864,446</u>	<u>6,433,334</u>	<u>2,431,112</u>
Net Change in Fund Balances	(385,964)	(447,631)	(61,667)
Fund Balance at Beginning of Year	406,097	406,097	0
Prior Year Encumbrances	<u>139,299</u>	<u>139,299</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 159,432</u>	<u>\$ 97,765</u>	<u>\$ (61,667)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**VOCATIONAL EDUCATION FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,177,314</u>	<u>\$ 1,097,434</u>	<u>\$ (79,880)</u>
Total Expenditures and Other Financing Uses	<u>1,244,774</u>	<u>1,164,754</u>	<u>80,020</u>
Net Change in Fund Balances	(67,460)	(67,320)	140
Fund Balance at Beginning of Year	5,423	5,423	0
Prior Year Encumbrances	<u>56,451</u>	<u>56,451</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (5,586)</u>	<u>\$ (5,446)</u>	<u>\$ 140</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 152,683</u>	<u>\$ 78,977</u>	<u>\$ (73,706)</u>
Total Expenditures and Other Financing Uses	<u>154,763</u>	<u>81,646</u>	<u>73,117</u>
Net Change in Fund Balances	(2,080)	(2,669)	(589)
Fund Balance at Beginning of Year	1,977	1,977	0
Prior Year Encumbrances	<u>3,743</u>	<u>3,743</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,640</u>	<u>\$ 3,051</u>	<u>\$ (589)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 23,377,963</u>	<u>\$ 19,240,906</u>	<u>\$ (4,137,057)</u>
Total Expenditures and Other Financing Uses	<u>23,292,005</u>	<u>21,415,118</u>	<u>1,876,887</u>
Net Change in Fund Balances	85,958	(2,174,212)	(2,260,170)
Fund Balance at Beginning of Year	2,149,060	2,149,060	0
Prior Year Encumbrances	<u>2,173,997</u>	<u>2,173,997</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,409,015</u>	<u>\$ 2,148,845</u>	<u>\$ (2,260,170)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**DRUG FREE SCHOOL GRANTS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 44,242</u>	<u>\$ 44,242</u>
Total Expenditures and Other Financing Uses	<u>86,350</u>	<u>86,350</u>	<u>0</u>
Net Change in Fund Balances	(86,350)	(42,108)	44,242
Fund Balance at Beginning of Year	<u>87,108</u>	<u>87,108</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 758</u>	<u>\$ 45,000</u>	<u>\$ 44,242</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 321,519</u>	<u>\$ 274,948</u>	<u>\$ (46,571)</u>
Total Expenditures and Other Financing Uses	<u>327,252</u>	<u>281,038</u>	<u>46,214</u>
Net Change in Fund Balances	(5,733)	(6,090)	(357)
Fund Balance at Beginning of Year	9,268	9,268	0
Prior Year Encumbrances	<u>3,484</u>	<u>3,484</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,019</u>	<u>\$ 6,662</u>	<u>\$ (357)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**IMPROVING TEACHER QUALITY FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 4,872,363</u>	<u>\$ 2,873,892</u>	<u>\$ (1,998,471)</u>
Total Expenditures and Other Financing Uses	<u>5,004,842</u>	<u>3,505,627</u>	<u>1,499,215</u>
Net Change in Fund Balances	(132,479)	(631,735)	(499,256)
Fund Balance at Beginning of Year	657,423	657,423	0
Prior Year Encumbrances	<u>48,815</u>	<u>48,815</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 573,759</u>	<u>\$ 74,503</u>	<u>\$ (499,256)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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**MISCELLANEOUS FEDERAL GRANTS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 4,433,281</u>	<u>\$ 1,011,684</u>	<u>\$ (3,421,597)</u>
Total Expenditures and Other Financing Uses	<u>4,433,281</u>	<u>994,405</u>	<u>3,438,876</u>
Net Change in Fund Balances	0	17,279	17,279
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 17,279</u>	<u>\$ 17,279</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,528,303</u>	<u>\$ 1,864,982</u>	<u>\$ (663,321)</u>
Total Expenditures and Other Financing Uses	<u>2,269,632</u>	<u>2,140,030</u>	<u>129,602</u>
Net Change in Fund Balances	258,671	(275,048)	(533,719)
Fund Balance at Beginning of Year	539,668	539,668	0
Prior Year Encumbrances	<u>274,291</u>	<u>274,291</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,072,630</u>	<u>\$ 538,911</u>	<u>\$ (533,719)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,391,539</u>	<u>\$ 1,273,248</u>	<u>\$ (118,291)</u>
Total Expenditures and Other Financing Uses	<u>1,490,964</u>	<u>1,368,559</u>	<u>122,405</u>
Net Change in Fund Balances	(99,425)	(95,311)	4,114
Fund Balance at Beginning of Year	16,973	16,973	0
Prior Year Encumbrances	<u>67,154</u>	<u>67,154</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (15,298)</u>	<u>\$ (11,184)</u>	<u>\$ 4,114</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

---

	HEAD START FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 9,032,625</u>	<u>\$ 8,536,171</u>	<u>\$ (496,454)</u>
Total Expenditures and Other Financing Uses	<u>13,089,409</u>	<u>8,512,160</u>	<u>4,577,249</u>
Net Change in Fund Balances	(4,056,784)	24,011	4,080,795
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (4,056,784)</u>	<u>\$ 24,011</u>	<u>\$ 4,080,795</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,588,900</u>	<u>\$ 3,276,732</u>	<u>\$ 1,687,832</u>
Total Expenditures and Other Financing Uses	<u>6,582,583</u>	<u>6,558,164</u>	<u>24,419</u>
Net Change in Fund Balances	(4,993,683)	(3,281,432)	1,712,251
Fund Balance at Beginning of Year	1,690,554	1,690,554	0
Prior Year Encumbrances	<u>1,596,309</u>	<u>1,596,309</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1,706,820)</u>	<u>\$ 5,431</u>	<u>\$ 1,712,251</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***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, 2015***

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	ENDOWMENTS FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 14,410</u>	<u>\$ 1,279</u>	<u>\$ (13,131)</u>
Total Expenditures and Other Financing Uses	<u>158,817</u>	<u>136,783</u>	<u>22,034</u>
Net Change in Fund Balances	(144,407)	(135,504)	8,903
Fund Balance at Beginning of Year	868,233	868,233	0
Prior Year Encumbrances	<u>116</u>	<u>116</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 723,942</u>	<u>\$ 732,845</u>	<u>\$ 8,903</u>



***Internal Service Funds***

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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**

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***Combining Statement of Net Position  
Internal Service Funds  
June 30, 2015***

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	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 6,020	\$ 1,069,989	\$ 7,905,787	\$ 9,202
Receivables:				
Accounts	0	152,462	457	0
Intergovernmental	0	7,873	0	0
Interest	0	0	14,567	0
<b>Total Assets</b>	<u>6,020</u>	<u>1,230,324</u>	<u>7,920,811</u>	<u>9,202</u>
<b>Liabilities:</b>				
Accounts Payable	0	13,862	804,026	0
Accrued Wages and Benefits	0	0	5,634,600	0
Intergovernmental Payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>13,862</u>	<u>6,438,626</u>	<u>0</u>
<b>Net Position:</b>				
Unrestricted	6,020	1,216,462	1,482,185	9,202
<b>Total Net Position</b>	<u>\$ 6,020</u>	<u>\$ 1,216,462</u>	<u>\$ 1,482,185</u>	<u>\$ 9,202</u>

**TOLEDO CITY SCHOOL DISTRICT**

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<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 2,584,167	\$ 11,575,165
5,354	158,273
28	7,901
<u>6,303</u>	<u>20,870</u>
<u>2,595,852</u>	<u>11,762,209</u>
5,000	822,888
0	5,634,600
<u>477,115</u>	<u>477,115</u>
<u>482,115</u>	<u>6,934,603</u>
<u>2,113,737</u>	<u>4,827,606</u>
<u>\$ 2,113,737</u>	<u>\$ 4,827,606</u>

**TOLEDO CITY SCHOOL DISTRICT****Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2015**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
<b>Operating Revenues:</b>				
Interfund Charges	\$ 0	\$ 229,137	\$ 50,733,309	\$ 0
<b>Total Operating Revenues</b>	<u>0</u>	<u>229,137</u>	<u>50,733,309</u>	<u>0</u>
<b>Operating Expenses:</b>				
Personal Services	0	0	711,332	0
Purchased Services	0	76,725	51,078,098	0
Miscellaneous	2,468	0	0	0
<b>Total Operating Expenses</b>	<u>2,468</u>	<u>76,725</u>	<u>51,789,430</u>	<u>0</u>
Operating Income (Loss)	(2,468)	152,412	(1,056,121)	0
<b>Nonoperating Revenue (Expenses):</b>				
Investment Earnings	0	0	13,220	0
<b>Total Nonoperating Revenues (Expenses)</b>	<u>0</u>	<u>0</u>	<u>13,220</u>	<u>0</u>
Change in Net Position	(2,468)	152,412	(1,042,901)	0
Net Position Beginning of Year, Restated	8,488	1,064,050	2,525,086	9,202
Net Position End of Year	<u>\$ 6,020</u>	<u>\$ 1,216,462</u>	<u>\$ 1,482,185</u>	<u>\$ 9,202</u>

**TOLEDO CITY SCHOOL DISTRICT**

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<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 2,381,813	\$ 53,344,259
<u>2,381,813</u>	<u>53,344,259</u>
1,388,734	2,100,066
45,950	51,200,773
0	2,468
<u>1,434,684</u>	<u>53,303,307</u>
947,129	40,952
<u>7,674</u>	<u>20,894</u>
<u>7,674</u>	<u>20,894</u>
954,803	61,846
<u>1,158,934</u>	<u>4,765,760</u>
<u>\$ 2,113,737</u>	<u>\$ 4,827,606</u>

**TOLEDO CITY SCHOOL DISTRICT****Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2015**

	Rotary	Intra-District Services	Health Insurance
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	\$0	\$199,700	\$50,733,309
Cash Payments to Employees for Services and Benefits	(2,468)	(33,343)	(51,331,055)
Net Cash Provided (Used) by Operating Activities	(2,468)	166,357	(597,746)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	0	9,288
Net Cash Provided by Investing Activities	0	0	9,288
Net Increase (Decrease) in Cash and Cash Equivalents	(2,468)	166,357	(588,458)
Cash and Cash Equivalents at Beginning of Year	8,488	903,632	8,494,245
Cash and Cash Equivalents at End of Year	\$6,020	\$1,069,989	\$7,905,787
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$2,468)	\$152,412	(\$1,056,121)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	0	727	2,165
Decrease (Increase) in Intergovernmental Receivables	0	3,431	0
Increase in Accounts Payable	0	9,787	74,010
Increase in Accrued Wages and Benefits	0	0	382,200
Increase in Intergovernmental Payables	0	0	0
Total Adjustments	0	13,945	458,375
Net Cash Provided (Used) by Operating Activities	(2,468)	\$166,357	(597,746)

During 2015 the fair value of investments decreased by \$490 and \$212 in the Health Insurance and Workers' Compensation Funds, respectively.

See accompanying notes to the basic financial statements.

**TOLEDO CITY SCHOOL DISTRICT**

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Computer Network- Class A	Workers' Compensation	Total
\$0	\$2,381,813	\$53,314,822
0	(1,359,933)	(52,726,799)
0	1,021,880	588,023
0	4,019	13,307
0	4,019	13,307
0	1,025,899	601,330
9,202	1,558,268	10,973,835
\$9,202	\$2,584,167	\$11,575,165
\$0	\$947,129	\$40,952
0	(5,354)	(2,462)
0	(28)	3,403
0	5,000	88,797
0	0	382,200
0	75,133	75,133
0	74,751	547,071
\$0	\$1,021,880	\$588,023

***Fiduciary Fund***

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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***

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**Student Managed Activity Fund**

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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**

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***Combining Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2015***

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	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$180,621	\$202,029	(\$180,621)	\$202,029
Accounts Receivable	17,773	4,526	(17,773)	4,526
Interest Receivable	701	750	(701)	750
Total Assets	<u>\$199,095</u>	<u>\$207,305</u>	<u>(\$199,095)</u>	<u>\$207,305</u>
Liabilities:				
Accounts Payable	\$7,305	\$25,438	(\$7,305)	\$25,438
Intergovernmental Payable	658	495	(658)	495
Due to Students	191,132	181,372	(191,132)	181,372
Total Liabilities	<u>\$199,095</u>	<u>\$207,305</u>	<u>(\$199,095)</u>	<u>\$207,305</u>



*STATISTICAL SECTION*

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Toledo Public Schools

# STATISTICAL TABLES

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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

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<b>Financial Trends</b>	S 2 – S 11
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	S 34 – S 45
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

### Sources Note:

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

## *Toledo Public School District*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$48,695,909	\$248,239,325	\$273,164,202	\$319,887,466
Restricted for:				
Capital Projects	513,286,796	361,944,025	317,693,258	169,137,197
Debt Service	8,823,771	12,115,936	14,372,972	11,705,745
Permanent Funds:				
Expendable	328,736	341,333	350,204	343,688
Nonexpendable	502,291	502,291	503,291	503,291
Other Purposes	17,127,362	17,864,571	18,876,850	39,034,091
Unrestricted (Deficit)	<u>(27,004,696)</u>	<u>(15,174,793)</u>	<u>(19,858,790)</u>	<u>(56,323,121)</u>
Total Governmental Activities Net Position	<u>\$561,760,169</u>	<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$48,695,909	\$248,239,325	\$273,164,202	\$319,887,466
Restricted	540,068,956	392,768,156	351,796,575	220,724,012
Unrestricted (Deficit)	<u>(27,004,696)</u>	<u>(15,174,793)</u>	<u>(19,858,790)</u>	<u>(56,323,121)</u>
Total Primary Government Net Position	<u>\$561,760,169</u>	<u>\$625,832,688</u>	<u>\$605,101,987</u>	<u>\$484,288,357</u>

Source: District Treasurer's Office

*Toledo Public School District*

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2010	2011	2012	2013	2014	2015
\$295,429,243	\$356,044,033	\$391,566,146	\$403,716,045	\$399,196,714	\$397,688,562
217,877,292	135,580,227	64,306,216	25,562,136	14,538,912	11,414,880
5,725,901	6,055,588	5,413,569	5,033,770	3,533,300	5,589,194
330,522	309,119	293,603	264,040	234,188	232,740
503,291	503,291	503,291	503,291	635,992	503,291
18,185,213	15,138,459	23,724,299	26,904,962	27,516,635	33,192,023
(39,755,783)	(4,891,597)	4,190,775	11,218,263	27,695,386	(319,997,488)
<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$489,997,899</u>	<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>
\$295,429,243	\$356,044,033	\$391,566,146	\$403,716,045	\$399,196,714	\$397,688,562
242,622,219	157,586,684	94,240,978	58,268,199	46,459,027	50,932,128
(39,755,783)	(4,891,597)	4,190,775	11,218,263	27,695,386	(319,997,488)
<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$489,997,899</u>	<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>

## Toledo Public School District

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities				
Instruction	\$292,680,197	\$189,552,656	\$263,193,272	\$261,800,004
Support Services	138,761,857	133,079,110	133,764,377	135,291,670
Non-Instructional Services	19,816,003	27,648,071	25,644,073	26,726,017
Extracurricular Activities	6,333,665	4,242,542	5,107,505	5,471,234
Interest and Fiscal Charges	7,229,719	6,991,726	6,919,481	6,958,983
<i>Total Primary Government Expenses</i>	<u>\$464,821,441</u>	<u>\$361,514,105</u>	<u>\$434,628,708</u>	<u>\$436,247,908</u>
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$3,461,903	\$6,053,787	\$5,290,951	\$4,023,645
Support Services	9,122,667	13,630,186	13,775,626	16,187,742
Extracurricular Activities	3,515,022	3,042,679	2,777,125	2,731,369
Operating Grants and Contributions	72,027,628	89,840,113	95,387,363	102,234,262
Capital Grants and Contributions	577,516	241,467	0	0
<i>Total Primary     Government Program Revenues</i>	<u>88,704,736</u>	<u>112,808,232</u>	<u>117,231,065</u>	<u>125,177,018</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(376,116,705)</u>	<u>(248,705,873)</u>	<u>(317,397,643)</u>	<u>(311,070,890)</u>
<i>Total Primary     Government Net (Expense)/Revenue</i>	<u>(\$376,116,705)</u>	<u>(\$248,705,873)</u>	<u>(\$317,397,643)</u>	<u>(\$311,070,890)</u>

***Toledo Public School District***

2010	2011	2012	2013	2014	2015
\$247,655,446	\$260,842,406	\$236,207,897	\$253,504,953	\$248,414,449	\$246,372,454
132,178,983	121,820,020	114,249,054	113,119,827	112,950,654	114,915,707
23,329,071	25,822,082	16,957,213	18,046,982	16,218,267	18,785,625
5,397,381	3,563,783	2,387,172	2,245,368	2,759,367	3,249,709
8,249,037	6,327,517	6,815,825	7,305,050	5,379,439	6,003,602
<u>\$416,809,918</u>	<u>\$418,375,808</u>	<u>\$376,617,161</u>	<u>\$394,222,180</u>	<u>\$385,722,176</u>	<u>\$389,327,097</u>
\$2,818,840	\$2,738,592	\$2,153,120	\$2,868,817	\$1,972,228	\$2,516,440
11,539,081	10,155,473	8,424,558	7,956,396	6,920,620	7,041,992
2,467,675	1,973,018	1,457,008	1,537,986	1,597,357	1,183,810
71,728,806	74,429,919	46,905,184	49,415,641	43,841,888	64,885,961
0	0	13,271,422	957,329	1,579,317	80,091
<u>88,554,402</u>	<u>89,297,002</u>	<u>72,211,292</u>	<u>62,736,169</u>	<u>55,911,410</u>	<u>75,708,294</u>
<u>(328,255,516)</u>	<u>(329,078,806)</u>	<u>(304,405,869)</u>	<u>(331,486,011)</u>	<u>(329,810,766)</u>	<u>(313,618,803)</u>
<u>(\$328,255,516)</u>	<u>(\$329,078,806)</u>	<u>(\$304,405,869)</u>	<u>(\$331,486,011)</u>	<u>(\$329,810,766)</u>	<u>(\$313,618,803)</u>

(Continued)

**Toledo Public School District**

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

	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$104,775,512	\$99,468,836	\$89,303,614	\$93,183,415
Special Purposes	1,196,205	1,196,598	1,099,423	1,151,977
Debt Service	11,621,405	12,429,284	11,056,591	11,305,429
Capital Outlay	4,380,783	4,410,854	3,984,819	4,034,149
Grants and Entitlements not Restricted to Specific Programs	197,630,604	183,776,457	181,133,225	193,207,018
Investment Earnings	8,437,563	11,334,119	9,683,086	4,587,198
Miscellaneous	102,585	162,244	406,184	102,225
Sale of Capital Assets	0	0	0	0
<b>Total Primary Government</b>	<b>\$328,144,657</b>	<b>\$312,778,392</b>	<b>\$296,666,942</b>	<b>\$307,571,411</b>
<b>Change in Net Position</b>				
Governmental Activities	(\$47,972,048)	\$64,072,519	(\$20,730,701)	(\$3,499,479)
<b>Total Primary Government Change in Net Position</b>	<b>(\$47,972,048)</b>	<b>\$64,072,519</b>	<b>(\$20,730,701)</b>	<b>(\$3,499,479)</b>

Source: District Treasurer's Office

*Toledo Public School District*

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2010	2011	2012	2013	2014	2015
\$91,408,483	\$95,606,344	\$74,414,156	\$83,422,448	\$81,819,809	\$93,981,026
1,062,637	1,002,932	1,026,037	971,092	923,745	969,039
8,089,438	9,129,011	9,098,250	9,522,686	9,606,512	9,969,733
5,586,245	1,432,954	0	0	0	1,675,792
233,261,864	232,087,828	200,779,485	220,217,972	236,669,842	234,601,655
2,590,626	(398,979)	336,955	261,490	15,820	417,843
263,545	662,157	9,765	294,931	233,596	859,051
0	0	0	0	690,062	0
<u>\$342,262,838</u>	<u>\$339,522,247</u>	<u>\$285,664,648</u>	<u>\$314,690,619</u>	<u>\$329,959,386</u>	<u>\$342,474,139</u>
<u>\$14,007,322</u>	<u>\$10,443,441</u>	<u>(\$18,741,221)</u>	<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>
<u>\$14,007,322</u>	<u>\$10,443,441</u>	<u>(\$18,741,221)</u>	<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>

## *Toledo Public School District*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	8,391,654	13,272,327	13,719,985	13,008,918
Unreserved	<u>(20,963,268)</u>	<u>(7,561,390)</u>	<u>1,776</u>	<u>(17,195,736)</u>
<i>Total General Fund</i>	<u>(12,571,614)</u>	<u>5,710,937</u>	<u>13,721,761</u>	<u>(4,186,818)</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	11,261,152	58,835,147	69,496,216	38,678,072
Unreserved, Undesignated in:				
Special Revenue Funds	(1,438,040)	3,671,750	(1,834,973)	7,135,876
Debt Service Fund	7,129,305	10,450,742	13,863,182	10,920,852
Capital Projects Funds	77,119,622	51,056,444	9,668,289	67,224,903
Permanent Fund	<u>328,736</u>	<u>341,333</u>	<u>350,204</u>	<u>341,588</u>
Total All Other Governmental Funds	<u>94,400,775</u>	<u>124,355,416</u>	<u>91,542,918</u>	<u>124,301,291</u>
<i>Total Governmental Funds</i>	<u><u>\$81,829,161</u></u>	<u><u>\$130,066,353</u></u>	<u><u>\$105,264,679</u></u>	<u><u>\$120,114,473</u></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***

2010	2011	2012	2013	2014	2015
\$0	\$62,902	\$65,468	\$64,409	\$73,616	\$67,451
0	0	0	59,848	8,280,777	8,841,299
0	(10,868,218)	(1,229,421)	0	20,859,280	30,866,651
12,554,700	0	0	0	0	0
(25,259,943)	0	0	0	0	0
<u>(12,705,243)</u>	<u>(10,805,316)</u>	<u>(1,163,953)</u>	<u>124,257</u>	<u>29,213,673</u>	<u>39,775,401</u>
0	503,291	503,291	503,291	635,992	732,665
0	121,037,616	86,806,823	48,949,228	36,347,497	33,677,935
0	(3,538,516)	(849,304)	(92,975)	(744,742)	(2,977,205)
79,947,256	0	0	0	0	0
10,188,787	0	0	0	0	0
4,797,338	0	0	0	0	0
70,492,241	0	0	0	0	0
326,522	0	0	0	0	0
<u>165,752,144</u>	<u>118,002,391</u>	<u>86,460,810</u>	<u>49,359,544</u>	<u>36,238,747</u>	<u>31,433,395</u>
<u>\$153,046,901</u>	<u>\$107,197,075</u>	<u>\$85,296,857</u>	<u>\$49,483,801</u>	<u>\$65,452,420</u>	<u>\$71,208,796</u>

## *Toledo Public School District*

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$118,721,351	\$120,520,408	\$114,312,225	\$105,699,938
Tuition	3,447,124	3,708,191	4,130,667	2,889,694
Transportation Fees	561,991	783,273	764,427	809,245
Food Services	1,975,570	1,869,705	1,791,657	1,664,852
Investment Earnings	8,344,735	11,340,272	9,779,617	4,916,848
Extracurricular Activities	1,519,804	1,298,006	1,236,132	1,096,809
Class Materials and Fees	378,202	390,068	331,134	309,764
Intermediate Sources	0	30,000	60,000	20,000
Intergovernmental - State	298,841,914	325,177,344	295,700,158	295,597,310
Intergovernmental - Federal	42,192,049	50,008,540	38,934,570	54,073,343
All Other Revenue	8,309,077	14,795,783	13,948,465	16,274,444
<b>Total Revenue</b>	<u>484,291,817</u>	<u>529,921,590</u>	<u>480,989,052</u>	<u>483,352,247</u>
<b>Expenditures:</b>				
Current:				
Instruction	224,652,834	223,368,191	226,968,624	252,993,864
Supporting Services	142,938,752	132,585,876	141,432,307	143,794,427
Non-Instructional Services	23,196,032	26,451,093	24,870,693	23,917,955
Extracurricular Activities	6,326,677	4,064,556	4,871,994	5,282,257
Capital Outlay	136,541,555	84,731,327	97,176,358	64,251,427
Debt Service:				
Principal Retirement	3,240,506	3,265,000	3,330,000	3,415,000
Interest and Fiscal Charges	7,357,013	7,119,129	7,047,876	7,229,513
Advance Refunding Escrow	0	0	0	0
<b>Total Expenditures</b>	<u>544,253,369</u>	<u>481,585,172</u>	<u>505,697,852</u>	<u>500,884,443</u>
Excess (Deficiency) of Revenues Over Expenditures	(59,961,552)	48,336,418	(24,708,800)	(17,532,196)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	4,404	30,142	46,765	0
Payments to Refunding Bonds Escrow Agent	0	0	0	0
General Obligation Bonds Issued	0	0	0	31,999,995
Premium on Issuance of General Obligation Bonds	0	0	0	381,995
Transfers In	3,556,661	11,650,611	7,277,303	10,417,146
Transfers Out	(3,556,661)	(11,779,979)	(7,416,942)	(10,417,146)
<b>Total Other Financing Sources (Uses)</b>	<u>4,404</u>	<u>(99,226)</u>	<u>(92,874)</u>	<u>32,381,990</u>
<b>Net Change in Fund Balance</b>	<u>(\$59,957,148)</u>	<u>\$48,237,192</u>	<u>(\$24,801,674)</u>	<u>\$14,849,794</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	2.24%	2.94%	2.45%	2.51%

Source: District Treasurer's Office

***Toledo Public School District***

2010	2011	2012	2013	2014	2015
\$101,918,154	\$96,848,838	\$92,962,714	\$93,893,529	\$93,007,599	\$104,065,819
1,882,544	1,996,903	2,139,162	2,349,810	1,968,937	2,513,804
789,969	512,767	380,291	528,656	502,136	585,879
1,402,139	1,053,241	753,334	769,247	669,802	546,704
2,458,103	(359,695)	343,334	241,651	31,672	410,958
1,114,890	875,047	487,122	526,133	501,753	606,027
328,486	120,999	58,356	68,329	49,314	71,244
0	0	10,200	0	0	0
288,513,123	274,473,871	245,334,613	221,463,606	234,244,064	243,750,709
80,117,268	73,165,870	58,919,333	48,000,565	45,483,373	48,352,824
11,481,474	10,238,626	8,262,528	8,378,570	7,065,872	7,248,198
<u>490,006,150</u>	<u>458,926,467</u>	<u>409,650,987</u>	<u>376,220,096</u>	<u>383,524,522</u>	<u>408,152,166</u>
251,020,566	237,995,598	221,413,444	221,802,330	227,264,916	239,436,363
138,912,335	126,115,598	116,235,381	116,699,988	99,596,810	117,036,455
25,184,615	31,025,845	29,646,355	20,478,826	15,485,916	27,768,558
5,289,492	3,467,440	2,282,608	2,805,310	2,668,020	3,190,583
20,583,735	96,128,614	50,477,831	38,640,728	11,940,543	3,587,138
7,835,000	4,260,000	4,395,000	4,760,000	4,805,000	4,570,000
8,361,259	6,446,406	7,568,120	6,388,271	6,031,150	6,657,267
0	0	0	0	829,866	0
<u>457,187,002</u>	<u>505,439,501</u>	<u>432,018,739</u>	<u>411,575,453</u>	<u>368,622,221</u>	<u>402,246,364</u>
32,819,148	(46,513,034)	(22,367,752)	(35,355,357)	14,902,301	5,905,802
113,280	663,208	0	0	690,062	0
0	0	(59,595,899)	(39,717,581)	(36,345,361)	0
0	0	52,555,000	34,265,000	32,335,000	0
0	0	7,508,433	4,994,882	4,386,617	0
8,429,486	3,575,875	1,282,460	1,250,851	118,904	104,697
<u>(8,429,486)</u>	<u>(3,575,875)</u>	<u>(1,282,460)</u>	<u>(1,250,851)</u>	<u>(118,904)</u>	<u>(104,697)</u>
<u>113,280</u>	<u>663,208</u>	<u>467,534</u>	<u>(457,699)</u>	<u>1,066,318</u>	<u>0</u>
<u>\$32,932,428</u>	<u>(\$45,849,826)</u>	<u>(\$21,900,218)</u>	<u>(\$35,813,056)</u>	<u>\$15,968,619</u>	<u>\$5,905,802</u>
3.90%	2.56%	3.12%	2.86%	3.20%	2.85%

**Toledo Public School District**

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

<b>Tax year</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Real Property</b>					
Assessed	2,693,299	2,675,627	3,025,038	2,980,687	2,973,109
Actual	7,695,140	7,644,649	8,642,966	8,516,249	8,494,597
<b>Public Utility</b>					
Assessed	144,678	136,918	137,134	138,071	97,072
Actual	144,678	136,918	137,134	138,071	97,072
<b>Tangible Personal Property</b>					
Assessed	295,642	281,399	210,923	153,551	15,315
Actual	1,182,568	1,125,596	1,687,384	2,456,816	153,150
<b>Total</b>					
Assessed	3,133,619	3,093,944	3,373,095	3,272,309	3,085,496
Actual	9,022,386	8,907,163	10,467,484	11,111,136	8,744,819
<b>Assessed Value as a Percentage of Actual Value</b>					
	34.73%	34.74%	32.22%	29.45%	35.28%
<b>Total Direct Tax Rate</b>					
	\$67.35	\$67.35	\$67.10	\$66.90	\$67.70

Source: Lucas County Auditor

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

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

*Toledo Public School District*

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2010	2011	2012	2013	2014
2,667,357	2,573,582	2,188,403	2,164,564	2,142,644
7,621,020	7,353,091	6,252,580	6,184,469	6,121,840
107,158	114,195	122,237	135,775	145,063
107,158	114,195	122,237	135,775	145,063
7,407	0	0	0	0
74,070	0	0	0	0
2,781,922	2,687,777	2,310,640	2,300,339	2,287,707
7,802,248	7,467,286	6,374,817	6,320,244	6,266,903
35.66%	35.99%	36.25%	36.40%	36.50%
\$65.70	\$65.70	\$67.40	\$67.40	\$67.40

## *Toledo Public School District*

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Direct District Rates</b>					
General Fund	60.05	60.05	59.80	59.80	60.60
Permanent Improvement Fund	3.00	3.00	3.00	3.00	3.00
Bond Retirement Fund	4.30	4.30	4.30	4.10	4.10
Total	<u>67.35</u>	<u>67.35</u>	<u>67.10</u>	<u>66.90</u>	<u>67.70</u>
<b>Overlapping Rates</b>					
Townships:					
Harding	3.00	3.00	3.00	4.80	4.80
Spencer	6.00	6.00	6.00	8.00	8.00
Municipalities:					
City of Toledo	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10
Lucas County	18.00	18.00	18.00	18.17	18.17
Total	<u>102.85</u>	<u>102.85</u>	<u>102.60</u>	<u>106.37</u>	<u>107.17</u>

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

**Source:**

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

*Toledo Public School District*

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
61.20	61.20	61.70	61.70	61.70
0.50	0.50	0.50	0.50	0.50
<u>4.00</u>	<u>4.00</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>
<u>65.70</u>	<u>65.70</u>	<u>67.40</u>	<u>67.40</u>	<u>67.40</u>
4.80	4.80	4.80	4.80	4.80
8.00	8.00	8.00	8.00	8.00
4.40	4.40	4.40	4.40	4.40
4.10	4.10	4.10	4.10	4.10
<u>16.17</u>	<u>16.17</u>	<u>17.77</u>	<u>17.77</u>	<u>17.77</u>
<u>103.17</u>	<u>103.17</u>	<u>106.47</u>	<u>106.47</u>	<u>106.47</u>

## *Toledo Public School District*

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

### Calendar Year 2014

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Gaming Ventures	Casino	\$56,526	1	2.60%
LC - Country Club/Hawthorne Hills	Realty	15,678	2	0.72%
One Seagate Partners LLC	Realty	14,000	3	0.64%
University Residences at Westwood	Realty	5,377	4	0.25%
Airport Square Investments	Realty	5,075	5	0.23%
Toledo VA Company	Realty	4,952	6	0.23%
ERT Southland	Realty	4,641	7	0.21%
Brixmor Miracle Mile	Realty	4,266	8	0.20%
Toledo Edison	Utility	3,712	9	0.17%
Dredging Toledo	Realty	3,620	10	0.17%
Subtotal		117,847		5.42%
All Others		2,055,578		94.58%
Total		<u>\$2,173,425</u>		<u>100.00%</u>

### Calendar Year 2005

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Owens-Illinois	Fiber Glass/Manufacturing	\$19,250	1	0.73%
St. Vincent Medical Center	Health Care	10,420	2	0.39%
AERC	Realty	7,360	3	0.28%
Dana Corporation	Automotive/Manufacturing	7,101	4	0.27%
S-S-C Company	Manufacturing	5,213	5	0.20%
Steeplechase Developers	Realty	5,212	6	0.20%
Airport Square Investment	Realty	5,145	7	0.19%
Medical College of Ohio	Health Care	4,909	8	0.19%
Four Seagate Associates	Realty	4,795	9	0.18%
Toledo Edison	Electric Distribution	4,421	10	0.17%
Subtotal		73,826		2.80%
All Others		2,573,842		97.20%
Total		<u>\$2,647,668</u>		<u>100.00%</u>

Source: Lucas County Auditor - Land and Buildings  
Based on valuation of property in 2013 and 2004

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

## *Toledo Public School District*

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

		Calendar Year 2014		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electrical Distribution	\$93,347	1	68.75%
Columbia Gas	Utility	29,430	2	21.68%
American Transmission, Inc.	Utility	12,519	3	9.22%
	Subtotal	135,296		99.65%
	All Others	478		0.35%
	Total	\$135,774		100.00%

		Calendar Year 2005		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distribution	\$53,975	1	37.31%
Ohio Bell Telephone	Telephone	29,455	2	20.36%
Coulumbia Gas	Natural Gas Distribution	15,970	3	11.04%
	Subtotal	99,400		68.71%
	All Others	45,278		31.29%
	Total	\$144,678		100.00%

Source: Lucas County Auditor - Land and Buildings  
Based on valuation of property in 2013 and 2004

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*

<b>Collection Year</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Total Tax Levy</b> (1)	\$126,939	\$120,463	\$121,796	\$125,132
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections (2)	124,222	117,366	116,283	117,843
Percent of Levy Collected	97.86%	97.43%	95.47%	94.17%
Delinquent Tax Collections (3)	<u>6,183</u>	<u>7,589</u>	<u>11,023</u>	<u>8,449</u>
Total Tax Collections	130,405	124,955	127,306	126,292
<b>Percent of Total Tax Collections To Tax Levy</b>	102.73%	103.73%	104.52%	100.93%
<b>Accumulated Outstanding Delinquent Taxes</b>	21,979	24,532	14,411	21,234
<b>Percentage of Accumulated</b>				
<b>Delinquent Taxes to Total Tax Levy</b>	17.31%	20.36%	11.83%	16.97%

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

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

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

Source: Lucas County Auditor's Office

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

*Toledo Public School District*

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<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$117,731	\$113,750	\$113,232	\$112,645	\$112,645	\$113,280
99,431	98,171	95,804	96,711	106,675	97,016
84.46%	86.30%	84.61%	85.85%	94.70%	85.64%
<u>8,215</u>	<u>9,032</u>	<u>8,510</u>	<u>9,845</u>	<u>9,861</u>	<u>8,878</u>
107,646	107,203	104,314	106,556	116,536	105,894
91.43%	94.24%	92.12%	94.59%	103.45%	93.48%
20,721	21,545	27,716	22,089	21,103	28,898
17.60%	18.94%	24.48%	19.61%	18.73%	25.51%

***Toledo Public School District***

*Ratio of Outstanding Debt By Type  
Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
EPA Long-Term Note Payable	\$0	\$0	\$0	\$0
General Obligation Bonds Payable	160,000,164	156,595,365	153,125,566	181,939,114
Capital Leases	221,896	0	0	0
Total Primary Government	<u>\$160,222,060</u>	<u>\$156,595,365</u>	<u>\$153,125,566</u>	<u>\$181,939,114</u>
<b>Population</b> <sup>(2)</sup>				
City of Toledo	313,619	313,619	313,619	313,619
Outstanding Debt Per Capita	\$511	\$499	\$488	\$580
<b>Income</b>				
Personal (in thousands)	9,917,574	10,135,852	10,298,307	10,095,709
Percentage of Personal Income	1.62%	1.54%	1.49%	1.80%

**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*

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2010	2011	2012	2013	2014	2015
\$0	\$0	\$0	\$0	\$0	\$0
173,950,672	169,537,230	168,958,777	164,920,184	158,729,534	153,140,847
0	0	0	0	0	0
<u>\$173,950,672</u>	<u>\$169,537,230</u>	<u>\$168,958,777</u>	<u>\$164,920,184</u>	<u>\$158,729,534</u>	<u>\$153,140,847</u>
287,208	286,038	286,208	284,012	282,313	281,031
\$606	\$593	\$590	\$581	\$562	\$545
6,887,535	5,380,089	5,383,286	4,897,787	6,743,046	9,363,110
2.53%	3.15%	3.14%	3.37%	2.35%	1.64%

***Toledo Public School District***

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

Year	2006	2007	2008	2009
<b>Population</b> (1)	313,619	313,619	313,619	313,619
<b>Assessed Value</b> (2)	\$3,093,946	\$3,373,095	\$3,272,309	\$3,085,496
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$160,000	\$156,595	\$153,126	\$181,939
<b>Resources Available to Pay Principal</b> (4)	\$7,669	\$11,268	\$13,863	\$11,526
<b>Net General Bonded Debt</b>	\$152,331	\$145,327	\$139,263	\$170,413
<b>Ratio of Net Bonded Debt to Assessed Actual Value</b>	4.92%	4.31%	4.26%	5.52%
<b>Net Bonded Debt per Capita</b>	\$486	\$463	\$444	\$543

**Source:**

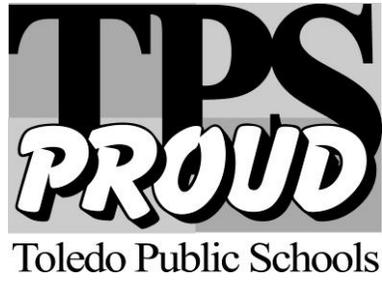
- (1) U.S. Bureau of Census of Population
- (2) Lucas County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*Toledo Public School District*

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2010	2011	2012	2013	2014	2015
287,208	286,038	286,208	284,012	282,313	281,031
\$2,781,922	\$2,729,775	\$2,687,777	\$2,188,403	\$2,164,564	\$2,287,708
\$173,951	\$169,537	\$168,959	\$164,920	\$158,729	\$153,141
\$5,293	\$5,193	\$4,314	\$3,767	\$3,669	\$4,314
\$168,658	\$164,344	\$164,645	\$161,153	\$155,060	\$148,827
6.06%	6.02%	6.13%	7.36%	7.16%	6.51%
\$587	\$575	\$575	\$567	\$549	\$530



***Toledo Public School District***

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*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
(amounts in thousands)  
June 30, 2015*

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<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Toledo Public School District</u>	<u>Amount Applicable to Toledo Public School District</u>
<b>Direct:</b>			
Toledo Public School District	\$153,141	100.00%	\$153,141
<b>Overlapping:</b>			
Lucas County	114,440	44.65%	51,100
City of Toledo	141,852	55.35%	<u>78,512</u>
		Subtotal	<u>129,612</u>
		Total	<u><u>\$282,753</u></u>

**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*

<b>Tax Year</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Net Assessed Valuation</b>	\$3,133,619	\$3,093,944	\$3,373,095	\$3,272,309
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	282,026	278,455	303,579	294,508
Applicable District Debt Outstanding	159,600	156,400	153,135	149,805
Less: Applicable Debt Service Fund Amounts (2)	<u>(5,070)</u>	<u>(7,669)</u>	<u>(11,268)</u>	<u>(13,863)</u>
Net Indebtedness Subject to Limitation	<u>154,530</u>	<u>148,731</u>	<u>141,867</u>	<u>135,942</u>
Overall Legal Debt Margin	<u><u>\$127,496</u></u>	<u><u>\$129,724</u></u>	<u><u>\$161,712</u></u>	<u><u>\$158,566</u></u>
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	3,134	3,094	3,373	3,272
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$3,134</u></u>	<u><u>\$3,094</u></u>	<u><u>\$3,373</u></u>	<u><u>\$3,272</u></u>
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	28,203	27,845	30,358	29,451
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>\$28,203</u></u>	<u><u>\$27,845</u></u>	<u><u>\$30,358</u></u>	<u><u>\$29,451</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***

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2009	2010	2011	2012	2013	2014
\$3,085,496	\$2,781,922	\$2,687,777	\$2,310,640	\$2,300,339	\$2,287,707
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
277,695	250,373	241,900	207,958	207,031	205,894
178,389	170,555	160,070	152,565	143,855	139,285
(11,526)	(5,293)	(5,193)	(4,314)	(3,767)	(3,692)
<u>166,863</u>	<u>165,262</u>	<u>154,877</u>	<u>148,251</u>	<u>140,088</u>	<u>135,593</u>
<u>\$110,832</u>	<u>\$85,111</u>	<u>\$87,023</u>	<u>\$59,707</u>	<u>\$66,943</u>	<u>\$70,301</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
3,085	2,782	2,688	2,311	2,300	2,288
0	0	0	0	0	0
<u>\$3,085</u>	<u>\$2,782</u>	<u>\$2,688</u>	<u>\$2,311</u>	<u>\$2,300</u>	<u>\$2,288</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
27,769	25,037	24,190	20,796	20,703	20,589
0	0	0	0	0	0
<u>\$27,769</u>	<u>\$25,037</u>	<u>\$24,190</u>	<u>\$20,796</u>	<u>\$20,703</u>	<u>\$20,589</u>

## *Toledo Public School District*

### *Demographic and Economic Statistics Last Ten Years*

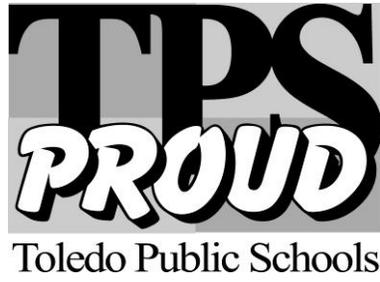
Calendar Year	2005	2006	2007	2008
<b>Population</b> (1)				
City of Toledo	313,619	313,619	313,619	313,619
Lucas County	437,901	437,901	437,901	437,901
<b>Income</b> (2) (a)				
Total Personal (in thousands)	9,856,732	9,917,574	10,135,852	10,298,307
Per Capita	31,429	31,623	32,319	32,837
<b>Unemployment Rate</b> (3)				
Federal	5.0%	4.6%	4.6%	5.8%
State	5.9%	5.5%	5.6%	6.6%
Lucas County	6.9%	6.3%	6.7%	8.3%
Fiscal Year	2006	2007	2008	2009
<b>School Enrollment</b> (4)				
Elementary School (K-5 & K-6 configuration)	16,668	13,305	13,100	13,197
Middle School (6-8 & 7-8 configuration)	4,498	6,717	6,297	4,312
High School (9-12)	9,092	8,685	8,269	7,079
Special (5)	38	352	583	1,204
Total	<u>30,296</u>	<u>29,059</u>	<u>28,249</u>	<u>25,792</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***

2009	2010	2011	2012	2013	2014
313,619	287,208	286,038	284,012	282,313	281,031
437,901	441,815	440,005	437,998	436,393	435,286
10,095,709	6,887,535	5,380,089	5,383,286	6,743,046	9,363,110
32,191	23,981	18,809	17,245	23,885	33,317
9.3%	9.6%	8.9%	7.8%	7.4%	5.9%
10.2%	10.1%	8.6%	6.7%	7.4%	5.3%
12.2%	11.3%	9.7%	8.5%	8.5%	6.3%
2010	2011	2012	2013	2014	2015
13,321	13,748	11,512	12,364	12,284	12,420
3,856	3,249	4,742	3,013	3,019	3,110
6,809	6,680	6,187	6,061	5,912	5,740
1,209	642	31	40	40	38
25,195	24,319	22,472	21,478	21,255	21,308



## *Toledo Public School District*

### *Principal Employers Current Year and Nine Years Ago*

		Fiscal Year 2015		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Promedica	Medical Facilities	15,000	1	4.28%
University of Toledo	Education	8,929	2	2.55%
Mercy Health Partners	Medical Facilities	7,052	3	2.01%
Chrysler Toledo Complex	Automotive	5,137	4	1.46%
Lucas Countny	Government	3,511	5	1.00%
Toledo Public Schools	Education	3,352	6	0.96%
Kroger, Inc.	Retail	2,924	7	0.83%
City of Toledo	Government	2,775	8	0.79%
State of Ohio	Government	2,083	9	0.59%
General Motors/Power Train	Automotive	1,845	10	0.53%
Total		52,608		15.00%
Total Employment within the District		298,100		85.00%
		<u>350,708</u>		<u>100.00%</u>
		2006		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
ProMedica Health Systems	Hospital	11,500	1	3.13%
Mercy Health Partners	Hospital	6,799	2	1.85%
Daimler-Chrysler Corp	Automotive/Manufacturing	5,256	3	1.43%
University of Toledo	Education	5,079	4	1.38%
Toledo Public Schools	Education	4,813	5	1.31%
Lucas County	Government	4,168	6	1.13%
Kroger, Inc.	Retail Grocery	3,900	7	1.06%
General Motors/Power Train	Automotive/Manufacturing	3,425	8	0.93%
Medical University of Ohio	Hospital	3,400	9	0.93%
City of Toledo	Government	2,910	10	0.80%
Total		51,250		13.95%
Total Employment within the District		316,200		86.05%
		<u>367,450</u>		<u>100.00%</u>

**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*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Supervisory</b>					
Instructional Administrators	40	38	44	45	49
Noninstructional Administrators	67	63	62	59	68
Principals	60	56	51	55	61
Assistant Principals	45	42	51	39	45
<b>Instruction</b>					
Classroom Teachers					
Elementary	1,253	1,188	1,057	1,051	1,249
Middle	340	262	299	324	378
High	638	597	655	540	614
Other	151	156	169	143	175
<b>Student Services</b>					
Guidance Counselors	68	64	67	60	68
Psychologists	25	24	23	28	27
Other Professionals (noninstructional)	36	34	31	19	38
<b>Support Services</b>					
Clerical/Secretaries	312	297	311	271	319
Tutors/Aides	373	345	358	324	376
Food Service	233	219	243	222	253
Maintenance/Grounds	333	326	346	304	366
Transportation	205	202	212	194	232
<i>Total Employees</i>	<u>4,179</u>	<u>3,913</u>	<u>3,979</u>	<u>3,678</u>	<u>4,318</u>

Source: District Treasurer's Office

*Toledo Public School District*

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
42	29	29	29	27
66	59	65	68	64
52	48	49	47	43
33	33	42	35	32
987	976	940	916	925
321	224	223	221	223
524	484	477	472	477
95	66	124	131	132
63	48	47	51	55
22	25	25	25	26
17	17	17	19	19
235	202	203	205	234
313	310	334	356	407
208	183	179	168	192
299	254	251	268	306
176	168	156	166	190
<u>3,453</u>	<u>3,126</u>	<u>3,161</u>	<u>3,177</u>	<u>3,352</u>

***Toledo Public School District***

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Enrollment	30,296	29,059	28,249	25,792	25,195
Modified Accrual Basis					
Operating Expenditures	544,253,369	481,585,172	505,697,852	500,884,443	457,187,002
Cost per Pupil	17,965	16,573	17,901	19,420	18,146
Percentage of Change	18.5%	(7.75%)	8.02%	8.48%	(6.56%)
Accrual Basis					
Expenses	464,821,441	361,514,105	434,628,708	436,247,908	416,809,918
Cost per Pupil	15,343	12,441	15,386	16,914	16,543
Percentage of Change	13.6%	(18.91%)	23.67%	9.93%	(2.19%)
Teaching Staff	2,368	2,248	2,201	2,058	2,116
Pupil to Teacher Ratio					
Toledo	18.6	19.5	18.0	18.0	N/A
State Average	18.5	18.5	18.6	18.6	N/A

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

N/A = Not available

*Toledo Public School District*

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2011	2012	2013	2014	2015
24,319	22,472	21,478	21,255	21,308
505,439,501	432,018,739	411,575,453	368,622,221	402,246,364
20,784	19,225	19,163	17,343	18,878
14.54%	(7.50%)	(0.32%)	(9.50%)	8.85%
418,375,808	376,617,161	394,222,180	385,722,176	389,327,097
17,204	16,759	18,355	18,147	18,271
3.99%	(2.58%)	9.52%	(1.13%)	0.68%
1,927	1,750	1,764	1,740	1,764
N/A	N/A	N/A	12.2	12.0
N/A	N/A	N/A	N/A	N/A

## *Toledo Public School District*

### *Operating Indicators by Function Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Instruction				
Regular	24,953	23,767	22,995	21,020
Special	5,343	5,292	5,254	4,771
Support Services				
Pupils				
Enrollment	30,296	29,059	28,249	25,792
Graduates	1,348	1,519	1,284	1,267
Percent of Students with Disabilities	18.30%	17.90%	18.60%	18.50%
Percent of Students with English as Second Language	0.30%	0.50%	1.80%	1.40%
Administration				
School Attendance Rate	93.20%	92.30%	95.20%	94.90%
Fiscal Services				
Purchase Orders Processed	25,218	23,753	23,998	23,998
Checks Issued (non payroll)	26,058	26,369	26,306	26,825
Operation and Maintenance of Plant				
District Square Footage Maintained	6,271,055	5,533,138	5,449,806	5,588,049
District Square Acreage Maintained	144	127	125	128
Pupil Transportation				
Average Daily Students Transported	9,229	11,182	10,323	11,114
Average Daily Bus Fleet Miles	10,348	10,711	10,892	10,392
Number of Buses	171	172	162	166
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	12,667	12,833	14,290	14,643
Free/Reduced Price Meals Daily	11,181	11,247	12,977	13,400
Extracurricular Activities				
High School Varsity Teams	115	115	115	115

Source: District Treasurer's Office

*Toledo Public School District*

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2010	2011	2012	2013	2014	2015
20,358	19,671	19,034	18,050	17,382	17,271
4,837	4,648	4,140	3,698	3,873	4,037
25,195	24,319	23,174	21,748	21,255	21,308
1,303	1,272	1,075	1,026	922	879
19.20%	19.10%	18.00%	20.49%	18.22%	19.15%
1.50%	2.26%	1.61%	1.88%	1.97%	1.98%
94.90%	94.70%	94.30%	94.10%	93.02%	94.00%
20,917	19,867	16,759	17,424	16,043	17,481
27,187	15,650	19,312	17,232	18,460	17,707
5,588,049	6,263,196	5,183,088	5,183,088	5,183,088	5,183,088
128	144	144	144	144	144
13,269	2,893	3,517	3,327	3,025	3,589
10,125	8,300	8,190	2,783	3,224	9,048
160	124	120	122	115	171
15,089	14,952	18,652	22,939	19,061	22,172
13,206	13,750	17,428	20,692	17,155	21,263
115	48	48	48	48	48

## *Toledo Public School District*

### *Operating Indicators - Teacher Base Salaries Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Minimum Salary	32,697	32,697	32,697	34,351	35,313
Maximum Salary	65,520	65,520	65,520	68,836	70,763
District Average Salary	49,862	50,294	50,083	52,735	54,568
County Average Salary	53,411	54,696	56,228	59,210	61,490
State Average Salary	50,771	53,534	53,410	54,656	55,958

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

### *Operating Indicators - Teacher by Education Last Ten Years*

Fiscal Year	2006	2007	2008	2009	2010
Bachelor's Degree	1,101	1,033	1,010	933	945
Master's Degree	1,254	1,202	1,180	1,115	1,161
Doctorate	13	13	11	10	10
Total	2,368	2,248	2,201	2,058	2,116

Source: District Treasurer's Office

N/A - not available

*Toledo Public School District*

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2011	2012	2013	2014	2015
34,960	34,086	34,086	34,427	34,771
72,867	71,045	70,871	71,580	71,071
56,585	53,613	52,143	50,848	51,237
NA	41,949	41,949	41,556	41,556
56,715	48,071	48,071	48,308	56,237

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2011	2012	2013	2014	2015
824	759	789	735	755
1,095	980	956	984	988
8	11	19	21	21
1,927	1,750	1,764	1,740	1,764

## *Toledo Public School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2006	2007	2008	2009
<b>School Buildings</b>				
<b>High Schools</b>				
Number of Buildings	7	7	7	7
Square Footage	1,977,346	1,793,255	1,943,186	1,947,738
Enrollment	9,092	8,685	8,272	7,079
<b>Junior High Schools *</b>				
Number of Buildings	7	6	0	0
Square Footage	725,903	634,563	0	0
Enrollment	4,498	5,353	0	0
<b>Middle Schools *</b>				
Number of Buildings	1	2	7	7
Square Footage	83,299	179,743	652,097	622,321
Enrollment	521	1,206	4,346	4,312
<b>Elementary Schools</b>				
Number of Buildings	44	37	37	37
Square Footage	2,376,163	2,327,553	2,290,095	2,453,562
Enrollment	16,668	15,468	12,860	13,196
<b>Special Schools</b>				
Number of Buildings	11	8	8	8
Square Footage	582,790	372,463	358,143	358,143
Enrollment	313	359	2,770	1,204
<b>All Other</b>				
<b>Central Administration Building</b>				
Square Footage	79,354	79,354	79,354	79,354
<b>Transportation Building</b>				
Square Footage	10,950	10,950	10,950	10,950
<b>Maintenance Building</b>				
Square Footage	119,986	115,981	115,981	115,981

Source: District Treasurer's Office

\* Restructuring program began in 2006, completed in 2008.

***Toledo Public School District***

2010	2011	2012	2013	2014	2015
7	7	7	7	7	7
1,947,738	1,947,738	1,798,771	1,798,771	1,798,771	1,798,771
6,809	6,680	6,187	6,187	6,187	6,187
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7	7	0	0	0	0
622,321	622,321	0	0	0	0
3,856	3,249	0	0	0	0
37	37	42	42	42	42
2,453,562	2,453,562	2,530,620	2,530,620	2,530,620	2,530,620
13,321	13,748	15,685	15,685	15,685	15,685
8	8	8	8	8	8
358,143	358,143	358,143	358,143	358,143	358,143
1,209	642	600	600	600	600
79,354	79,354	79,354	79,354	79,354	79,354
10,950	10,950	10,950	10,950	10,950	10,590
115,981	115,981	115,981	115,981	115,981	115,981

**Toledo Public School District**

*Capital Asset Statistics by Function  
Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Instruction				
Land and Improvements	\$21,237,747	\$21,206,948	\$21,221,762	\$20,918,762
Buildings and Improvements	124,467,992	180,471,518	303,328,623	392,702,165
Machinery and Equipment	1,422,417	1,679,106	2,026,764	2,226,144
Vehicles	372,411	372,412	372,412	421,335
Construction In Progress	84,155,459	151,589,221	96,291,759	75,436,367
Administration				
Land and Improvements	207,367	207,367	207,367	207,367
Buildings and Improvements	1,028,140	4,001,663	8,943,955	16,073,559
Machinery and Equipment	3,690,836	3,849,683	4,043,960	4,181,127
Vehicles	0	0	0	0
Operations and Maintenance of Plant				
Land and Improvements	411,953	411,952	411,952	411,952
Buildings and Improvements	1,502,625	1,502,625	1,502,625	1,502,625
Machinery and Equipment	2,212,966	2,316,700	2,391,276	2,017,143
Vehicles	1,575,448	1,643,155	1,789,849	1,790,269
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	54,943
Vehicles	7,552,128	7,912,620	8,053,881	8,551,578
Non-Instructional Activities				
Land and Improvements	127,175	127,175	127,175	127,175
Buildings and Improvements	3,199,962	4,046,820	4,046,820	4,046,820
Machinery and Equipment	1,261,155	1,251,855	1,168,102	1,176,061
Extracurricular Activities				
Land and Improvements	140,221	140,221	140,221	140,221
Buildings and Improvements	4,046,768	3,199,910	3,199,910	3,199,910
Machinery and Equipment	284,226	284,226	284,226	284,226

Source: District Treasurer's Office

*Toledo Public School District*

2010	2011	2012	2013	2014	2015
\$20,918,761	\$20,918,761	\$21,444,762	\$21,444,762	\$21,484,812	\$21,588,880
452,882,180	480,007,471	590,026,000	612,986,614	616,457,334	623,266,182
2,772,922	2,954,554	3,245,394	3,571,105	4,128,195	3,748,327
421,335	421,335	465,344	522,526	522,526	372,411
41,441,727	94,921,281	10,865,779	339,735	0	0
207,367	207,367	207,367	207,367	207,367	207,367
9,609,275	10,963,164	10,963,164	10,963,164	10,963,164	10,963,164
4,382,103	4,416,260	4,482,758	4,482,758	4,482,758	5,011,068
28,631	157,931	157,931	157,931	157,931	0
411,952	411,952	411,952	411,952	411,952	411,952
1,502,625	1,504,498	1,504,498	1,504,498	1,504,498	1,504,498
2,031,520	2,109,652	2,109,652	2,109,652	2,109,652	2,420,467
1,816,428	1,488,754	1,143,127	1,476,022	1,476,022	1,452,013
584,422	584,422	58,422	58,422	58,422	58,422
207,077	207,077	207,077	207,077	207,077	207,077
54,943	54,943	54,943	54,943	54,943	54,943
8,710,085	8,303,498	8,561,106	8,933,772	8,988,924	10,580,116
127,175	127,175	127,175	127,175	127,715	127,715
4,046,820	4,046,820	4,046,820	4,046,820	4,046,820	3,014,175
1,069,348	981,930	981,930	981,930	981,930	1,055,912
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	2,507,710
284,226	284,226	284,226	284,226	284,226	357,100

***Toledo Public School District***

*Educational and Operating Statistics  
Last Ten Years*

	2006	2007	2008	2009	2010
<b>Cost per Student (ODE)</b>					
Toledo	11,202	11,209	10,770	12,008	13,544
Ohio (Average)	9,356	9,586	9,939	10,184	10,512
<b>Attendance Rate</b>					
Toledo	93.20%	92.30%	95.20%	94.90%	N/A
Ohio (Average)	94.10%	94.10%	94.20%	94.30%	94.30%
<b>Graduation Rate</b>					
Toledo	90.40%	87.60%	N/A	N/A	N/A
Ohio (Average)	86.20%	86.90%	N/A	84.60%	84.60%

**Source:**

District's Student Records and Ohio Department of Education

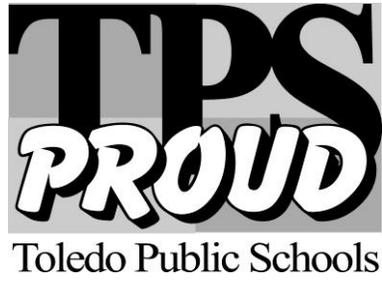
N/A = Not available

*Toledo Public School District*

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2011	2012	2013	2014	2015
13,859	12,471	N/A	N/A	N/A
10,571	10,508	10,508	N/A	N/A
94.70%	94.30%	N/A	93.02%	96.10%
94.50%	94.50%	94.20%	93.00%	92.40%
80.50%	N/A	N/A	64.50%	64.50%
84.30%	81.30%	81.30%	82.20%	82.40%





# 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  
MARCH 1, 2016