

# **TOLEDO CITY SCHOOL DISTRICT**

Single Audit Reports

Year Ended June 30, 2018



**CLARK SCHAEFER HACKETT**  
CPAS & ADVISORS



# OHIO AUDITOR OF STATE KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of Toledo City School District, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

### ***Finding for Recovery - Repaid Under Audit***

*State ex rel McClure v. Hagerman*, 155 Ohio St. 320 (1951), provides expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Auditor of State Bulletin 2003-005 states governmental entities may not make expenditures of public monies unless they are for a valid public purpose. The Bulletin indicates the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

During the fiscal year July 1, 2017 through June 30, 2018 the following expenditures made by the Superintendent were determined to be not in accordance with District policy or for a proper public purpose:

Board of Education  
Toledo City School District  
1609 N. Summit Street  
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***Finding for Recovery - Repaid Under Audit (continued)***

Purchase of Alcohol	\$32.00
Purchase of Fuel	\$396.00
Purchase of Personal Care Items	\$71.00
Charity Contributions	\$130.00
Airline Baggage Fees for Companion	\$50.00
Unsupported Purchases	\$280.00
<b>Total</b>	<b>\$959.00</b>

In accordance with the foregoing facts and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Dr. Romules Durant, Superintendent, in the amount of \$959, and in favor of the Toledo City School District's General Fund.

On January 10, 2019, Dr. Romules Durant issued a check in the amount of \$959 to the Toledo City School District's General Fund. This finding for recovery is considered repaid under audit.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 9, 2019

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Toledo City School District  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2018

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Agriculture:</u></b>					
<i>(Passed through Ohio Department of Education)</i>					
Nutrition Cluster:					
<i>Non-Cash Assistance (Food Distribution):</i>					
National School Lunch Program	10.555	182OH062N1099	\$ -	\$ 665,738	\$ 665,738
<i>Cash Assistance:</i>					
School Breakfast Program	10.553	n/a	-	2,506,200	2,506,200
National School Lunch Program	10.555	182OH062N1099	-	7,641,430	7,641,430
<i>Cash Assistance Subtotal</i>			-	10,147,630	10,147,630
Nutrition Cluster Total			-	10,813,368	10,813,368
Child and Adult Care Food Program	10.558	182OH70N1050	-	409,050	409,050
Fresh Fruit and Vegetable Program	10.582	182OH062L1603	-	419,612	419,612
Total U.S. Department of Agriculture			-	11,642,030	11,642,030
<b><u>U.S. Department of Health and Human Services:</u></b>					
Head Start:					
Head Start (2017)	93.600		1,978,231	5,090,109	5,040,937
Head Start (2018)	93.600		1,617,875	4,082,163	4,558,888
Total Head Start			3,596,106	9,172,272	9,599,825
Total U.S. Department of Health and Human Services			3,596,106	9,172,272	9,599,825
<b><u>U.S. Department of Labor</u></b>					
Youth Career Connect	17.274		-	1,011,890	1,054,109
Total U.S. Department of Labor			-	1,011,890	1,054,109
<b><u>U.S. Department of Education:</u></b>					
Student Financial Aid Cluster					
Federal Pell Grant Programs					
LPN Pell Grant (2017)	84.063		-	131,101	2,616
LPN Pell Grant (2018)	84.063		-	585,178	713,663
Total Federal Pell Grant Programs			-	716,279	716,279
Federal Direct Student Loans	84.268		-	1,325,351	1,444,006
Student Financial Aid Cluster Total			-	2,041,630	2,160,285
<i>(Passed through Ohio Department of Education)</i>					
Title I:					
Title I (2017)	84.010	S010A150035	-	2,891,366	2,598,787
Title I (2018)	84.010	S010A180035	-	13,941,418	14,680,646
Total Title I			-	16,832,784	17,279,433
Special Education Cluster:					
Special Education - Grants to States (2017)	84.027	H027A150111	-	1,505,028	1,180,394
Special Education - Grants to States (2018)	84.027	H027A180111	-	5,792,916	6,140,264
Special Education - Preschool Grants (2017)	84.173	H173A150119	-	44,830	35,648
Special Education - Preschool Grants (2018)	84.173	H173A180119	-	98,837	101,401
Special Education Cluster Total			-	7,441,611	7,457,707
Vocational Education Basic Grants to State:					
Adult (2017)	84.048	V048A150035	-	53,802	78,637
Adult (2018)	84.048	V048A180035	-	689,738	735,428
Total Vocational Education Basic Grants to State			-	743,540	814,065
Education for Homeless Children and Youth:	84.196	H196A180036	-	165,279	172,143

(Continued)

Year Ended June 30, 2018

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education: (continued)</u>					
<i>(Passed through Ohio Department of Education) (continued)</i>					
Supporting Effective Instruction State Grants:					
Supporting Effective Instruction State Grants (2017)	84.367	S367A150034	-	474,209	323,816
Supporting Effective Instruction State Grants (2018)	84.367	S367A180034	-	<u>792,632</u>	<u>819,169</u>
Total Supporting Effective Instruction State Grants			<u>-</u>	<u>1,266,841</u>	<u>1,142,985</u>
English Language Acquisition State Grants:					
Limited English (2017)	84.365	S365A150035	-	23,618	16,351
Limited English (2018)	84.365	S365A180035	-	<u>66,290</u>	<u>68,465</u>
Total English Language Acquisition State Grants			<u>-</u>	<u>89,908</u>	<u>84,816</u>
Twenty-First Century Grant:					
21st Century (2017)	84.287	S287C150035	-	<u>157,041</u>	<u>97,122</u>
Total Twenty-First Century Grant			<u>-</u>	<u>157,041</u>	<u>97,122</u>
Title IV-A					
	84.424	S424A180036	-	<u>200,302</u>	<u>211,930</u>
Total U.S. Department of Education			<u>-</u>	<u>28,938,936</u>	<u>29,420,486</u>
Total Federal Awards			\$	<u>3,596,106</u>	\$
				<u>50,765,128</u>	\$
					<u>51,716,450</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Toledo City School District (the "District") under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - FOOD DISTRIBUTION**

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

**NOTE D - NUTRITION CLUSTER**

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

**NOTE E - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE F - SUBRECIPIENTS**

The District passes certain federal awards received from the U.S. Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports receipts and expenditures of Federal awards to subrecipients when paid in cash. As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and those subrecipients achieve the award's performance goals.



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

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Toledo City School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District (the "District") as of and for the year ended June 30, 2018 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 20, 2018, wherein we noted the District adopted the provisions of GASB Statement No. 75 for the year ended June 30, 2018.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as finding 2018-001 in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency.

### **Compliance And Other Matters**

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

**District's Response to the Finding**

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

**Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
December 20, 2018

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

To the Board of Education  
Toledo City School District:

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

We have audited the Toledo City School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated December 20, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
December 20, 2018

**TOLEDO CITY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
• CFDA 10.553, 10.555 – Child Nutrition Cluster	
• CFDA 84.027, 84.173 – Special Education Cluster	
• CFDA 93.600 – Head Start	
Dollar threshold to distinguish between Type A and Type B Programs:	\$1,551,494
Auditee qualified as low-risk auditee?	No

## Section II – Financial Statement Findings

### **Finding 2018-001 – Prior Period Adjustment/Audit Adjustments**

*Condition:* During the course of our audit, we identified one reclassification of expenditures and seven other misstatements that were not material individually or in the aggregate. These misstatements were all a result of the GAAP conversion process and involved accrued wages, capital assets, net pension liability, accounts payable, long term debt, and transfers. Additionally, the client identified a prior period adjustment that was necessary to properly report cash balances in the internal service funds. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the District's financial statements did not operate as designed and we consider this a significant deficiency.

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

*Management's Response:* *The District has established internal controls to monitor all activity on a more frequent basis to ensure accumulated variances are identified and remedied immediately.*

## Section III – Federal Award Findings and Questioned Costs

None



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

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 rstechsc@tps.org

December 20, 2018

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR § 200.511(c)**  
**June 30, 2018**

<b>Finding Number</b>	<b>Status</b>	<b>Explanation</b>
2017-001	Partially Corrected	The District corrected the errors that lead to the prior period misstatement. However, there were still errors identified in the current audit related to the year-end GAAP conversion. See corrective action plan below.

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**June 30, 2018**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2018-001	The District has established internal controls to monitor all activity on a more frequent basis to ensure accumulated variances are identified and remedied immediately.	Completed	Ryan Stechschulte

Sincerely,

Ryan S. Stechschulte  
 Treasurer





*Lucas County, Ohio*



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2018**

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*Lucas County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

*Prepared by:*  
Mr. Ryan Stechschulte, Treasurer

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LUCAS COUNTY, OHIO

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# TOLEDO CITY SCHOOL DISTRICT

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

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

fax (419)-671-0082

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December 20, 2018

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, 2018, includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

In FY18, the district continued to see enrollment growth. We project these increases to continue into the future. As of June 30, 2018, the School District had 23,096 students (compared to 22,090 as of 2017) enrolled in its 44 K-8 schools, 7 senior high schools and 8 education/specialized learning centers (which provide special curriculums and vocational education and skills programs), making it the fourth largest public school system in the State. For the current academic year the average class size is 29 students (for grades 1 through 8), and the average pupil/teacher ratio 12:6. The average building is eight years old.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2018***

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The District employs (full- and part-time) 2,100 professional staff members and 1,451 nonteaching and support staff employees. Approximately 51% of the members of the teaching staff have master's degrees, and 1% have doctorates. The District's faculty has an average of 14.8 years' teaching experience. The District also operates a central office facility, a maintenance center, a central kitchen, a warehouse and a transportation depot.

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

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

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

### **ECONOMIC CONDITIONS AND OUTLOOK**

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

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

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

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

***For the Fiscal Year Ended June 30, 2018***

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

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

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

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

### **SIGNIFICANT ACCOMPLISHMENTS FOR THE YEAR**

Toledo Public Schools marked another strong year of progress during the 2017-18 school year.

The year began with a ribbon cutting ceremony at an elementary school to celebrate the opening of an interactive playground for students with sensory needs. Byrnedale Elementary serves a large population of students with developmental disabilities and through the monetary support of Lowes, all students can now enjoy recess.

Toledo Public Schools joined with a number of partners – Owens Community College, the City of Toledo, the Toledo police and fire divisions and ProMedica – to develop a unique program that allows qualified high school students to graduate with an EMT basic certificate. This program gives students important hands-on experiences as they work directly with healthcare professionals learning lifesaving procedures in emergency situations, patient assessment and transport. Through continuing partnerships with ProMedica, when students in this program graduate they will be eligible to interview for full-time jobs in the health system.

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

An exciting announcement surrounding two popular Career Tech programs was made mid-year when plans for the new Aerospace & Natural Science Academy of Toledo (ANSAT) were shared with the community. The new Academy set to be located at the Toledo Express Airport, will welcome students

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

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

***For the Fiscal Year Ended June 30, 2018***

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from across northwest Ohio. ANSAT will incorporate several growing industries: aviation and aeronautics; animal science and management; urban agriculture, agribusiness, environmental sustainability and wildlife management. There will be project-based, cross-curricular learning in a high-tech environment. Students will have the opportunity to earn college credit, industrial credentials and employment after graduation. Possible career options for graduating students include employment as an aviation technician, in greenhouse management, small-livestock management, hydroponic vegetable production, veterinary hospitals, animal research facilities, animal control agencies, animal shelters and boarding kennels.

The District's Strategic Plan continues to evolve. Implemented during the 2015-16 school year, the Strategic Plan continues to focus on effective and efficient operations across the District. Input into the plan came from teachers, administrators, students, parents and community and civic leaders. There are six goals ranging from student achievement and growth, a safe work and learning environment for staff and students, improve public confidence and ensure high levels of success

In the wake of the shooting at Marjory Stoneman Douglas High School, students across the District showed their support of those who lost their lives through various calls to action. Some schools held 'walk outs' where students stood in silence holding signs that promoted kindness and inclusion, while others held group discussions with community leaders. These open dialogues allowed students to share their views on becoming more involved in the community and promoting safety and security in their respective schools and community. This initiative has continued to evolve and has prompted discussions to launch a district-wide student voice initiative in all high schools.

TPS administrators continued to display their commitment to be good stewards of tax-payer dollars. That was evident when Issue 9, a 5-year, 6.5 mil operations renewal levy passed with one of the highest approval ratings in district history. The levy generates \$13,000,000 annually and covers expenses ranging from classroom technology, expansion of college-readiness programs, athletics and building maintenance. As part of the levy strategy, district leaders held a series of community meetings focused on educating voters on school finance.

Community outreach and the development of new partnerships continued to be a focus for principals and administrators. TPS sponsored summer events at the primary Lucas County Metropolitan Housing Association sites. Families enjoyed a cook out, while kids received free books, access to onsite STEM programs and parents could register their student for school. Churches in the community continued to collaborate with schools and work with the Area Office on Aging expanded to include the Senior Prom for those over 60 years of age, Hall Walks and the Senior Buddy Reading program with preschool students.

This, and so much more, indicates that a positive momentum continues to build across the District and that Toledo Public Schools is making a significant impact on the community it serves.

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

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2018***

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### **DEPARTMENT FOCUS**

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

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

As of November 2018, there are 28 active abatements with respect to approximately \$92,029,392 of real property in the School District. Six of the abatements, for \$77,709,380 in value, were made pursuant to an agreement requiring the taxpayer to make payments in lieu of taxes to the City in connection with a tax increment financing. The last of those abatements will expire in 2048. The remaining 22 active abatements, aggregating approximately \$14,320,012 for real property, were generally made pursuant to agreements that require the taxpayer to make contributions in lieu of tax payments to the School District. The last of those abatements is to expire in 2034.

**TOLEDO CITY SCHOOL DISTRICT**

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**Letter of Transmittal  
For the Fiscal Year Ended June 30, 2018**

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

<b>Fiscal Year</b>	<b>Payments</b>
2012	\$560,140
2013	472,271
2014	470,182
2015	504,636
2016	510,214
2017	487,450
2018	672,069
2019 (a)	856,723

(a) Estimated.

Since the inception of the revenue sharing program, the District has received \$17,102,964 in contributions in lieu of tax payments.

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

As of June 30, 2018, the Toledo City School District has underlying debt ratings of A- from Fitch Ratings, A2 from Moody's Investment Service and A+ from Standard and Poor's. Financial information was provided to all external-rating agencies resulting in the District maintaining the above-mentioned ratings. Financial information was also furnished to the Ohio Municipal Advisory Council (OMAC), which has applied for and received the designation of being the State Information Depository (SID) for the State of Ohio. The establishment of SID provides the State with more uniform central distribution of financial information to debt holders and potential bidders of debt for the Toledo City School District.

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

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

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

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

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

***For the Fiscal Year Ended June 30, 2018***

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

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

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

## **ACCOUNTING INFORMATION**

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

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

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2018***

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

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

### **BUDGETARY CONTROLS**

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

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

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

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

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



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

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2018***

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### **OTHER INFORMATION**

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

**Independent Audit:** State statutes require an annual audit by independent accountants. The firm of Clark Schaefer Hackett conducted the audit for the Fiscal Year ended June 30, 2018. 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, 2017. 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-eight years (1989-2017). 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, 2017. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of Certified Public Accountants and practicing school business officials, grants the award, only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. This is the seventeenth year the District has received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

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

***TOLEDO CITY SCHOOL DISTRICT***

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2018***

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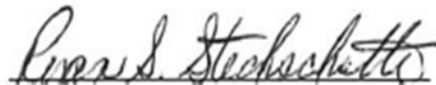
Acknowledgment: Preparation of this report would not have been possible without the joint cooperation of all Divisions in the District. We would like to specifically acknowledge the following individuals within the Treasurer's Division and the Business Division: W. Paul Overman, Jr., Director of Treasury Management, and James Gant, Executive Transformational Leader of Business and Operations. 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 Rick Reucher, Assistant Treasurer, Seth Sansing, Director of Accounting and Finance, 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 2018***

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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:

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

#### ***Superintendent***

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

#### ***Treasurer***

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

***TOLEDO CITY SCHOOL DISTRICT***

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***School District Organizational Chart  
For the Fiscal Year Ended June, 30 2018***

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***Management Team Members***

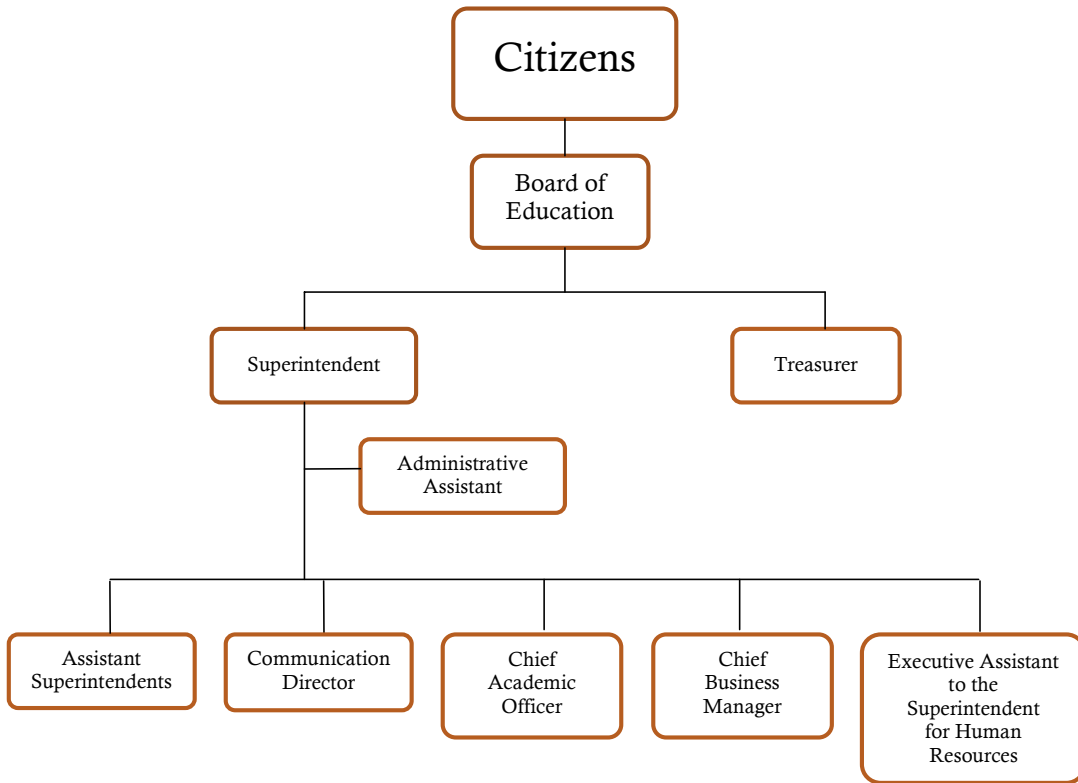
Dr. Romulus Durant	Superintendent
Ryan Stechschulte	Treasurer of the Board
James E. Gault	Transformational Leader
Linda Ruiz Bringman	Acting Chief Human Resources Officer
Angela Jordan	Executive Assistant to the Superintendent
James Gant	Transformational Leader of Business and Operations

**TOLEDO CITY SCHOOL DISTRICT**

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**School District Organizational Chart  
For the Fiscal Year Ended June, 30 2018**

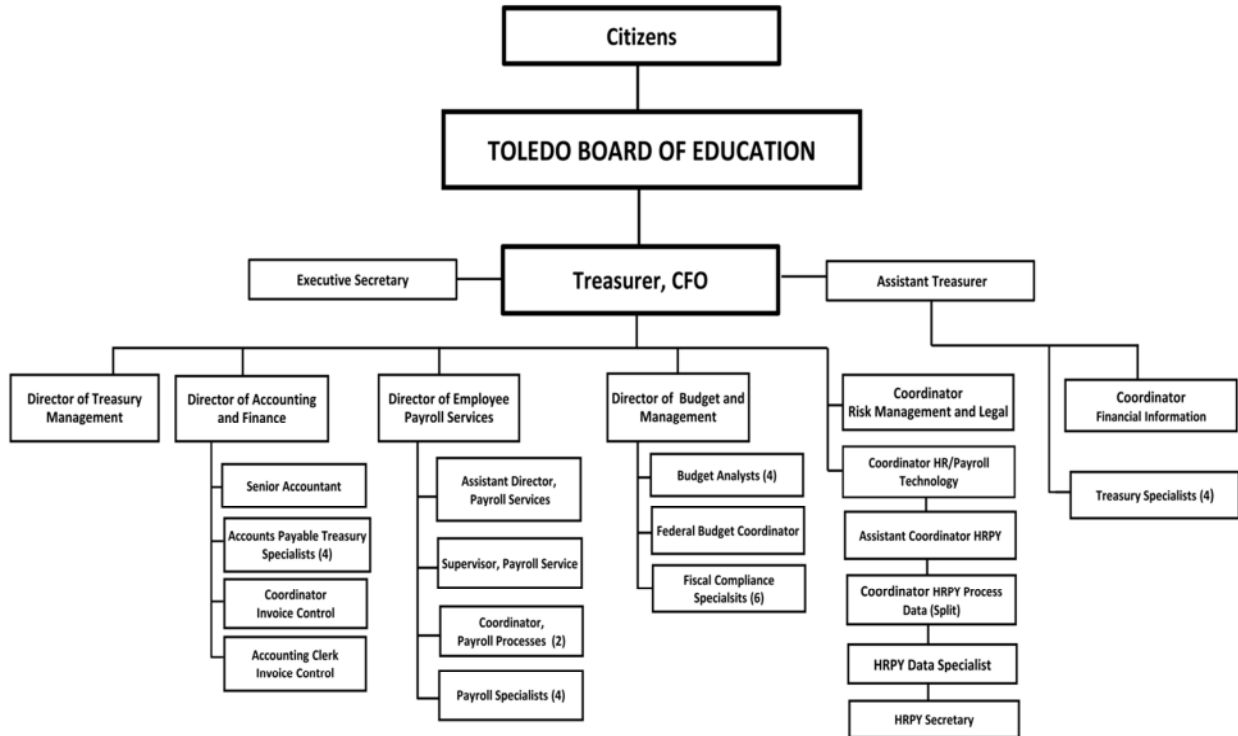
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**TOLEDO CITY SCHOOL DISTRICT**

**Treasurer's Division Organizational Chart  
For the Fiscal Year Ended June, 30 2018**

**TREASURER'S DIVISION ORGANIZATIONAL CHART**





Government Finance Officers Association

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

Presented to

**Toledo City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



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

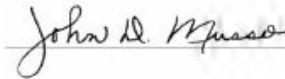
**Toledo City School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President



**John D. Musso, CAE**  
Executive Director



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Toledo City School District:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District (the "District") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

During fiscal year ended June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. As a result of the implementation of GASB Statement No. 75, the District restated net position at July 1, 2017 for the change in accounting principle (see Note 2). Our auditors' opinion was not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Toledo, Ohio  
December 20, 2018



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

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018***

***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, 2018. 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 2018 are as follows:**

- ❑ Overall, the District's financial position has improved from 2017 to 2018, with an increase in net position of \$163,173,700.
- ❑ General revenues accounted for \$415,722,369 in revenue or 88.2% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$55,621,227 or 11.8% of total revenues of \$471,343,596. The State Foundation portion of general revenues increased approximately \$14 million from FY17 to FY18.
- ❑ The District had \$308,169,896 in expenses related to governmental activities; only \$55,621,227 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$114,548,716 and unrestricted state and federal revenues totaling \$298,057,865, plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2018 by \$210,962,058 (net position). The District's total net position increased by \$163,173,700 in fiscal year 2018.
- ❑ As the only major fund, the general fund had \$389,484,043 in revenues, \$374,989,122 in expenditures, \$174 in transfers in and (\$282,096) in transfers out, resulting in the general fund balance increasing by \$14,212,999 to \$74,328,536. This increase is attributable to operational efficiencies and cost saving measures, as well as an increase in State revenue over FY17.

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

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

These statements are as follows:

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

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

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

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

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

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

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

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

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

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

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

**TOLEDO CITY SCHOOL DISTRICT**

**Management’s Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018**

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

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

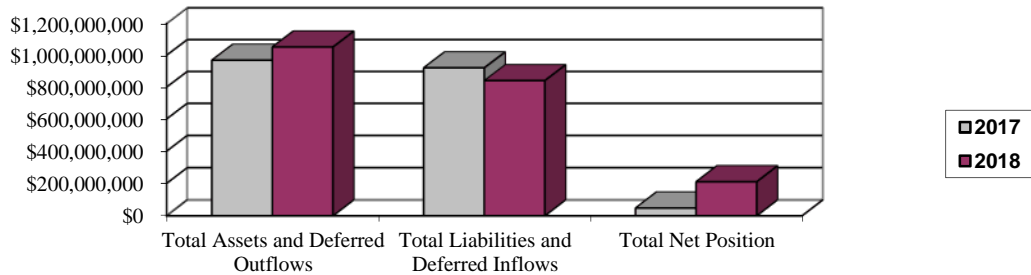
**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries.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

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

The following table provides a summary of the District’s net position for 2018 compared to 2017:

	Governmental Activities	Restated	Increase (Decrease)
	2018	2017	
Current and other assets	\$349,070,475	\$328,499,492	\$20,570,983
Capital assets, Net	522,836,527	524,377,375	(1,540,848)
Total assets	871,907,002	852,876,867	19,030,135
Deferred Loss on Debt Refunding	6,124,158	6,622,077	(497,919)
Pension	161,679,386	109,515,639	52,163,747
OPEB	13,010,457	647,221	12,363,236
Total Deferred Outflows of Resources	180,814,001	116,784,937	64,029,064
Net Pension Liability	398,616,399	496,137,545	(97,521,146)
Net OPEB Liability	93,224,169	102,595,804	(9,371,635)
Other Long-Term Liabilities	153,302,822	157,259,134	(3,956,312)
Other Liabilities	74,719,064	66,184,947	8,534,117
Total liabilities	719,862,454	822,177,430	(102,314,976)
Property Tax Levy for Next Fiscal Year	98,661,511	99,696,016	(1,034,505)
Pension	12,863,984	0	12,863,984
OPEB	10,370,996	0	10,370,996
Total Deferred Inflows of Resources	121,896,491	99,696,016	22,200,475
Net position:			
Net Investment in Capital Assets	392,851,572	388,203,178	4,648,394
Restricted	52,558,460	48,600,656	3,957,804
Unrestricted (Deficit)	(234,447,974)	(389,015,476)	154,567,502
Total Net Position	\$210,962,058	\$47,788,358	\$163,173,700

**Toledo City Schools Governmental Activities**



The implementation of GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” in fiscal year 2015, significantly revised accounting for pension costs and liabilities. For fiscal year 2018, the District adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which also significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District’s proportionate share of each plan’s collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.



**TOLEDO CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018***

***Unaudited***

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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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, as seen in note 2.

At fiscal year-end for governmental activities, capital assets represented 60% 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, 2018 was \$392,851,572. 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, \$52,558,462, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68 and GASB 75, the District has approximately \$105 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 2018****Unaudited**

**Changes in Net Position** – The following table shows the net position for the fiscal year 2018 compared to 2017:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Revenues			
Program revenues:			
Charges for Services	\$10,328,551	\$12,610,717	(\$2,282,166)
Operating Grants	45,139,106	46,642,415	(1,503,309)
Capital Grants	153,570	158,017	(4,447)
General revenues:			
Property Taxes	114,548,716	120,170,162	(5,621,446)
Grants and Entitlements	298,057,865	283,724,348	14,333,517
Other	3,115,788	2,867,303	248,485
Total revenues	471,343,596	466,172,962	5,170,634
Program Expenses			
Instruction	178,701,230	286,130,941	(107,429,711)
Support Services	98,513,858	140,445,126	(41,931,268)
Non-Instructional Services	24,282,260	30,991,650	(6,709,390)
Extracurricular Activities	1,487,913	3,503,091	(2,015,178)
Interest and Fiscal Charges	5,184,635	4,641,812	542,823
Total expenses	308,169,896	465,712,620	(157,542,724)
Total Change in Net Position	163,173,700	460,342	162,713,358
Beginning Net Position, Restated	47,788,358	N/A	N/A
Ending Net Position	\$210,962,058	\$47,788,358	\$163,173,700

**TOLEDO CITY SCHOOL DISTRICT**

*Management’s Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018*

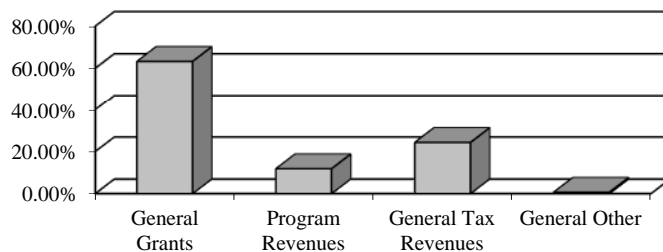
*Unaudited*

**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 24.30% of revenues for governmental activities for the Toledo City School District in fiscal year 2018. The District’s reliance upon tax revenues is demonstrated by the following graph indicating 24.30% of total revenues from general tax revenues:

Revenue Sources	2018	Percent of Total
General Grants	\$298,057,865	63.24%
Program Revenues	55,621,227	11.80%
General Tax Revenues	114,548,716	24.30%
General Other	3,115,788	0.66%
<b>Total Revenue</b>	<b>\$471,343,596</b>	<b>100.00%</b>



**TOLEDO CITY SCHOOL DISTRICT**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018*

*Unaudited*

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

The District's governmental funds reported a combined fund balance of \$105,856,914, which is an increase from last year's total of \$89,876,988. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Restated Fund Balance June 30, 2017	Increase
General	\$74,328,536	\$60,115,537	\$14,212,999
Other Governmental	31,528,378	29,761,451	1,766,927
Total	<u>\$105,856,914</u>	<u>\$89,876,988</u>	<u>\$15,979,926</u>

The General Fund State Foundation payments increased due to an increase in student enrollment, and greater funding for economically disadvantaged students. There was also an increase in Career Tech funding to the District. Current expenditures and transfers were less than total revenues resulting in the increase of the General Fund balance. The Debt Service Fund balance moderate increase is a reflection of increases in tax revenue due to an adjustment to the tax rate. The Classroom Facilities Capital Building Fund balance remained relatively consistent from FY17.

**TOLEDO CITY SCHOOL DISTRICT****Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018****Unaudited**

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

	2018 <u>Revenues</u>	2017 <u>Revenues</u>	Increase (Decrease)
Taxes	\$97,701,976	\$95,447,325	\$2,254,651
Tuition	2,716,656	2,958,440	(241,784)
Transportation Fees	536,390	563,781	(27,391)
Investment Earnings	1,584,578	1,415,336	169,242
Extracurricular Activities	280,917	221,387	59,530
Class Materials and Fees	34,349	55,122	(20,773)
Intergovernmental - State	279,627,925	272,132,565	7,495,360
Intergovernmental - Federal	3,315,715	901,564	2,414,151
All Other Revenue	3,685,537	5,779,281	(2,093,744)
Total	<u>\$389,484,043</u>	<u>\$379,474,801</u>	<u>\$10,009,242</u>

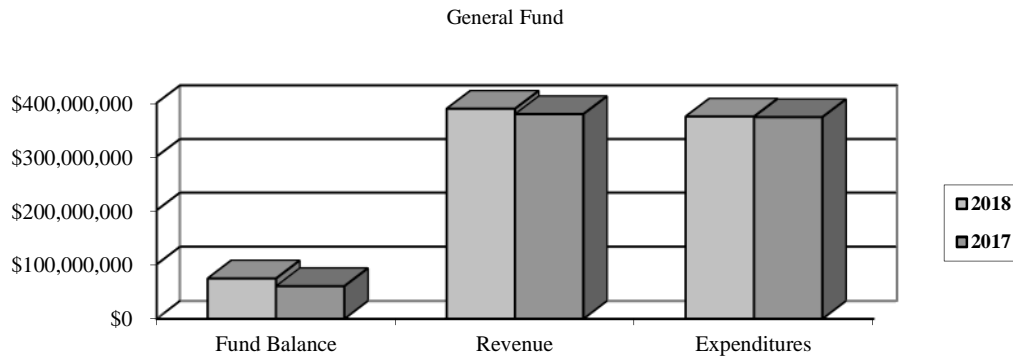
During fiscal year 2018 total General Fund revenues increased by approximately 2.6%. The material make up of this increase is from State revenue with the District's State Share Index increasing.

	2018 <u>Expenditures</u>	2017 <u>Expenditures</u>	Increase (Decrease)
Instruction	\$247,205,970	\$244,391,105	\$2,814,865
Supporting Services	118,300,147	120,881,844	(2,581,697)
Non-Instructional Services	2,130,859	5,376,113	(3,245,254)
Extracurricular Activities	3,011,589	2,901,841	109,748
Capital Outlay	4,340,557	299,343	4,041,214
Total	<u>\$374,989,122</u>	<u>\$373,850,246</u>	<u>\$1,138,876</u>

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018**

**Unaudited**



During fiscal year 2018 total General Fund expenditures increased by less than 1%. The material make up of this increase is a result of increased salaries and benefits expenditures.

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

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	\$383,091,876	\$383,091,876	0.00%
Expenditures	385,548,534	396,235,903	2.77%

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018**

**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets* - At the end of fiscal 2018 the District had \$522,836,527 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	\$13,897,335	\$13,897,335	\$0
Land Improvements	8,533,154	8,533,154	0
Buildings	622,818,518	614,927,050	7,891,468
Building Improvements	27,414,911	27,414,911	0
Machinery and Equipment	23,020,518	18,704,711	4,315,807
Vehicles	14,377,074	13,217,710	1,159,364
Less: Accumulated Depreciation	(187,224,983)	(172,317,496)	(14,907,487)
Totals	<u>\$522,836,527</u>	<u>\$524,377,375</u>	<u>(\$1,540,848)</u>

For financial reporting purposes the District capitalizes all assets in excess of \$5,000. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 10).

*Debt* - At June 30, 2018, the District had \$123,080,000 in General Obligation Bonds outstanding, \$5,060,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2018 and 2017:

	2018	Restated 2017
Governmental Activities:		
General Obligation Bonds	\$123,080,000	\$128,604,995
Premium on G.O. Bonds	13,029,113	14,191,279
Net Pension Liability	398,616,399	496,137,545
Net OPEB Liability	93,224,169	102,595,804
Compensated Absences	17,193,709	14,462,860
Totals	<u>\$645,143,390</u>	<u>\$755,992,483</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, 2018, the District's outstanding debt was below the legal limit. Detailed information regarding debt is included in the notes to the basic financial statements (Note 13).

**TOLEDO CITY SCHOOL DISTRICT**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30 2018*

*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 2018.

FY18 had an additional three percent increase in salaries for employees in July. The current collective bargaining agreements extend through FY20, with wage increases in each contract year.

As of the October 2018 five-year forecast, the District projects a decreased balance through Fiscal Year 2023.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information please contact Ryan Stechschulte, Treasurer, at Toledo City School District, 1609 N. Summit Street, Toledo, Ohio 43604.





**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Net Position**  
**June 30, 2018**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 184,940,258
Cash with Fiscal Agent	100,058
Receivables:	
Taxes	135,243,391
Accounts	2,895,886
Intergovernmental	23,411,935
Interest	2,258,987
Inventory Held for Resale	219,960
Capital Assets Not Being Depreciated	13,897,335
Capital Assets Being Depreciated, Net	508,939,192
<b>Total Assets</b>	<b>871,907,002</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Loss on Debt Refunding	6,124,158
Pension	161,679,386
OPEB	13,010,457
Total Deferred Outflows of Resources	180,814,001
<b>Liabilities:</b>	
Accounts Payable	36,020,730
Accrued Wages and Benefits	31,601,071
Intergovernmental Payable	6,512,591
Retainage Payable	100,058
Accrued Interest Payable	484,614
Long Term Liabilities:	
Due Within One Year	5,998,939
Due in More Than One Year:	
Net Pension Liability	398,616,399
Net OPEB Liability	93,224,169
Other Amounts Due in More Than One Year	147,303,883
<b>Total Liabilities</b>	<b>719,862,454</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax for Next Fiscal Year	98,661,511
Pension	12,863,984
OPEB	10,370,996
<b>Total Deferred Inflows of Resources</b>	<b>121,896,491</b>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

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	<b>Governmental Activities</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	392,851,572
Restricted For:	
Capital Projects	12,957,533
Debt Service	8,358,648
Permanent Fund:	
Expendable	183,706
Nonexpendable	566,923
School Facilities Maintenance	10,929,247
Auxiliary Services	329,027
Head Start	4,486,879
Student Activities	327,905
Special Education - Handicapped	3,872,561
Title I School Improvement	824,814
Title I	4,286,794
Improving Teacher Quality	2,086,679
Miscellaneous Federal Grants	571,318
Other Purposes	2,776,426
Unrestricted (Deficit)	(234,447,974)
<b>Total Net Position</b>	<b>\$ 210,962,058</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Statement of Activities  
For the Fiscal Year Ended June 30, 2018**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction	\$ 178,701,230	\$ 3,125,603	\$ 17,270,225	\$ 143,758	\$ (158,161,644)
Support Services	98,513,858	4,779,716	15,052,038	9,812	(78,672,292)
Non-Instructional Services	24,282,260	0	12,164,958	0	(12,117,302)
Extracurricular Activities	1,487,913	2,423,232	651,885	0	1,587,204
Interest and Fiscal Charges	5,184,635	0	0	0	(5,184,635)
<b>Totals</b>	<u>\$ 308,169,896</u>	<u>\$ 10,328,551</u>	<u>\$ 45,139,106</u>	<u>\$ 153,570</u>	<u>(252,548,669)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					100,275,752
					965,995
					10,188,873
					3,118,096
					298,057,865
					2,966,686
					149,102
					<u>415,722,369</u>
					163,173,700
					47,788,358
					<u>\$ 210,962,058</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2018**

	General	Total Nonmajor Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 99,839,597	\$ 53,657,929	\$ 153,497,526
Cash with Fiscal Agent	0	100,058	100,058
Receivables:			
Taxes	117,445,938	17,797,453	135,243,391
Accounts	2,677,621	52,944	2,730,565
Intergovernmental	570,272	22,829,007	23,399,279
Interest	1,414,843	534,072	1,948,915
Interfund Loan Receivable	1,882,810	0	1,882,810
Inventory Held for Resale	80,303	139,657	219,960
<b>Total Assets</b>	<b>\$ 223,911,384</b>	<b>\$ 95,111,120</b>	<b>\$ 319,022,504</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 9,167,759	\$ 22,985,809	\$ 32,153,568
Accrued Wages and Benefits	22,168,946	3,121,925	25,290,871
Intergovernmental Payable	5,717,755	740,887	6,458,642
Retainage Payable	0	100,058	100,058
Interfund Loans Payable	0	1,854,667	1,854,667
<b>Total Liabilities</b>	<b>37,054,460</b>	<b>28,803,346</b>	<b>65,857,806</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	26,783,387	21,862,886	48,646,273
Property Tax for Next Fiscal Year	85,745,001	12,916,510	98,661,511
<b>Total Deferred Inflows of Resources</b>	<b>112,528,388</b>	<b>34,779,396</b>	<b>147,307,784</b>
<b>Fund Balances:</b>			
Nonspendable	80,303	566,923	647,226
Restricted	0	33,092,331	33,092,331
Committed	6,621,906	0	6,621,906
Assigned	8,941,239	0	8,941,239
Unassigned	58,685,088	(2,130,876)	56,554,212
<b>Total Fund Balances</b>	<b>74,328,536</b>	<b>31,528,378</b>	<b>105,856,914</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 223,911,384</b>	<b>\$ 95,111,120</b>	<b>\$ 319,022,504</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2018***

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<b>Total Governmental Fund Balances</b>		\$ 105,856,914
<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.		522,836,527
Other long-term assets are not available to pay for current- period expenditures and therefore are unavailable in the funds.		
Property Taxes	30,908,894	
Intergovernmental	<u>17,737,379</u>	48,646,273
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	161,679,386	
Deferred Outflows - OPEB	13,010,457	
Deferred Inflows - Pension	(12,863,984)	
Deferred Inflows - OPEB	(10,370,996)	
Net Pension Liability	(398,616,399)	
Net OPEB Liability	<u>(93,224,169)</u>	(340,385,705)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due.		(484,614)
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.		21,671,327
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(136,109,113)	
Deferred Loss on Debt Issuance	6,124,158	
Compensated Absences Payable	<u>(17,193,709)</u>	<u>(147,178,664)</u>
<b><i>Net Position of Governmental Activities</i></b>		<b><u>\$ 210,962,058</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, 2018**

	General	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>			
Local Sources:			
Taxes	\$ 97,701,976	\$ 14,272,964	\$ 111,974,940
Tuition	2,716,656	406,998	3,123,654
Transportation Fees	536,390	0	536,390
Food Services	0	497,126	497,126
Investment Earnings	1,584,578	1,263,263	2,847,841
Extracurricular Activities	280,917	362,465	643,382
Class Materials and Fees	34,349	1,949	36,298
Intergovernmental - State	279,627,925	7,870,904	287,498,829
Intergovernmental - Federal	3,315,715	50,121,709	53,437,424
All Other Revenue	3,685,537	2,026,611	5,712,148
<b>Total Revenue</b>	<b>389,484,043</b>	<b>76,823,989</b>	<b>466,308,032</b>
<b>Expenditures:</b>			
Current:			
Instruction	247,205,970	16,436,134	263,642,104
Supporting Services	118,300,147	19,694,849	137,994,996
Non-Instructional Services	2,130,859	26,079,048	28,209,907
Extracurricular Activities	3,011,589	516,803	3,528,392
Capital Outlay	4,340,557	1,225,337	5,565,894
Debt Service:			
Principal Retirement	0	5,524,995	5,524,995
Interest and Fiscal Charges	0	5,861,818	5,861,818
<b>Total Expenditures</b>	<b>374,989,122</b>	<b>75,338,984</b>	<b>450,328,106</b>
Excess (Deficiency) of Revenues Over Expenditures	14,494,921	1,485,005	15,979,926
<b>Other Financing Sources (Uses):</b>			
Transfers In	174	282,096	282,270
Transfers Out	(282,096)	(174)	(282,270)
<b>Total Other Financing Sources (Uses)</b>	<b>(281,922)</b>	<b>281,922</b>	<b>0</b>
Net Change in Fund Balance	14,212,999	1,766,927	15,979,926
<b>Fund Balances at Beginning of Year, as Restated</b>	<b>60,115,537</b>	<b>29,761,451</b>	<b>89,876,988</b>
<b>Fund Balances End of Year</b>	<b>\$ 74,328,536</b>	<b>\$ 31,528,378</b>	<b>\$ 105,856,914</b>

See accompanying notes to the basic financial statements

**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, 2018***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ 15,979,926

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

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

Capital Outlay	13,954,761	
Depreciation	<u>(15,492,009)</u>	(1,537,248)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (3,600)

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

Property Taxes	2,573,776	
Intergovernmental	<u>2,414,288</u>	4,988,064

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 30,586,258

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension expense in the statement of activities. 117,598,526

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

G.O. Bond Principal Payment	5,524,995	
Amortization of Deferred Loss on G.O. Bonds	(497,919)	
Amortization of Premium on G.O. Bonds	<u>1,162,166</u>	6,189,242

(Continued)



**TOLEDO CITY SCHOOL DISTRICT**

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

Accrued Interest Payable 12,936

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

Increase in Compensated Absences Payable (2,730,849)

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

(7,909,555)

***Change in Net Position of Governmental Activities***

\$ 163,173,700

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Revenue from Local Sources	\$ 103,519,763	\$103,519,763	\$107,481,263	\$ 3,961,500
Revenue from State Sources	273,961,665	273,961,665	279,627,925	5,666,260
Revenue from Federal Sources	5,610,448	5,610,448	3,315,715	(2,294,733)
Total Revenues	<u>383,091,876</u>	<u>383,091,876</u>	<u>390,424,903</u>	<u>7,333,027</u>
<b>Expenditures:</b>				
Current:				
Instructional Services:				
Regular	99,482,262	99,690,224	98,566,633	1,123,591
Special	51,302,613	47,451,016	47,298,605	152,411
Vocational Education	9,051,012	8,592,491	8,032,711	559,780
Other	94,046,500	91,974,341	91,974,341	0
Support Services:				
Pupils	20,465,424	20,152,355	19,599,857	552,498
Instructional Staff	10,408,755	11,583,100	11,100,760	482,340
Board of Education	86,413	71,201	57,287	13,914
Administration	21,738,430	22,431,260	22,040,893	390,367
Fiscal Services	8,722,560	9,931,635	9,500,759	430,876
Business	2,656,039	2,856,147	2,703,524	152,623
Operation and Maintenance of Plant	33,000,444	43,643,937	43,643,937	0
Pupil Transportation	18,752,049	17,592,190	16,481,822	1,110,368
Central	9,653,379	9,418,985	9,245,522	173,463
Other Services:				
Community Services	439,569	398,843	398,843	0
Shared Services	2,444,634	2,162,054	2,070,936	91,118
Other Operation of Non-Instructional Services	337,009	183,113	119,916	63,197
Academic and Subject Oriented Activities	142,126	140,270	135,919	4,351
Occupation Oriented Activities	0	82,500	67,421	15,079
Sport Oriented Activities	2,467,251	2,535,255	2,535,255	0
School and Public Service Co-Curricular. Activities	52,065	62,853	62,853	0
Site Improvement Services	300,000	5,282,133	5,054,590	227,543
Total Expenditures	<u>385,548,534</u>	<u>396,235,903</u>	<u>390,692,384</u>	<u>5,543,519</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,456,658)	(13,144,027)	(267,481)	12,876,546

(Continued)

**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	(175,210)	(332,162)	(332,162)	0
Advances In	0	0	805,000	805,000
Advances Out	(644,000)	(55,000)	(55,000)	0
Refund of Prior Year's Expenditures	0	30,000	84,419	54,419
Refund of Prior Year's Receipts	(500)	(17,944)	(17,944)	0
Total Other Financing Sources (Uses):	<u>(819,710)</u>	<u>(375,106)</u>	<u>484,313</u>	<u>859,419</u>
Net Change in Fund Balance	(3,276,368)	(13,519,133)	216,832	13,735,965
Fund Balance at Beginning of Year, as Restated	74,635,701	74,635,701	74,635,701	0
Prior Year Encumbrances	7,885,412	7,885,412	7,885,412	0
Fund Balance at End of Year	<u>\$ 79,244,745</u>	<u>\$ 69,001,980</u>	<u>\$ 82,737,945</u>	<u>\$ 13,735,965</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, 2018***

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	Governmental Activities - Internal Service Funds
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 31,442,732
Receivables:	
Accounts	165,321
Intergovernmental	12,656
Interest	310,072
<b>Total Assets</b>	<u>31,930,781</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	3,867,162
Accrued Wages and Benefits	6,310,200
Intergovernmental Payable	53,949
Interfund Loans Payable	28,143
<b>Total Liabilities</b>	<u>10,259,454</u>
<b>Net Position:</b>	
Unrestricted	<u>21,671,327</u>
<b>Total Net Position</b>	<u>\$ 21,671,327</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, 2018**

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	Governmental Activities - Internal Service Funds
<b>Operating Revenues:</b>	
Interfund Charges	\$ 49,269,738
<b>Total Operating Revenues</b>	<u>49,269,738</u>
<b>Operating Expenses:</b>	
Personal Services	3,174,397
Purchased Services	54,392,875
<b>Total Operating Expenses</b>	<u>57,567,272</u>
Operating Loss	(8,297,534)
<b>Nonoperating Revenue (Expenses):</b>	
Investment Earnings	387,979
<b>Total Nonoperating Revenues (Expenses)</b>	<u>387,979</u>
Income Before Transfers	(7,909,555)
Transfers In	13,366,819
Transfers Out	(13,366,819)
Total Transfers	<u>0</u>
Change in Net Position	(7,909,555)
Net Position Beginning of Year, as Restated	29,580,882
Net Position End of Year	<u>\$ 21,671,327</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, 2018***

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	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$49,243,963
Cash Payments to Employees for Services and Benefits	(54,015,432)
Net Cash Used by Operating Activities	<u>(4,771,469)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In from Other Funds	13,366,819
Transfers Out to Other Funds	(13,366,819)
Advances In	28,143
Net Cash Provided by Noncapital Financing Activities	<u>28,143</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	252,509
Net Cash Provided by Investing Activities	<u>252,509</u>
Net Increase in Cash and Cash Equivalents	(4,490,817)
Cash and Cash Equivalents at Beginning of Year, as Restated	35,933,549
Cash and Cash Equivalents at End of Year	<u><u>\$31,442,732</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$8,297,534)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	8,757
Increase in Intergovernmental Receivables	(8,457)
Increase in Accounts Payable	3,060,881
Increase in Accrued Wages and Benefits	461,202
Increase in Intergovernmental Payables	3,682
Total Adjustments	<u>3,526,065</u>
Net Cash Used by Operating Activities	<u><u>(\$4,771,469)</u></u>

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During 2018 the fair value of investments decreased by \$11,558, \$1,578 and \$3,489 in the Health Insurance, Workers' Compensation and Severance Liabilities 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, 2018**

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	Private Purpose	
	Trust	
	Special Trust	
	Fund	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 4,008,482	\$ 206,589
Receivables:		
Interest	14,714	3,377
<b>Total Assets</b>	<u>4,023,196</u>	<u>209,966</u>
<b>Liabilities:</b>		
Accounts Payable	818	21,915
Due to Students	0	188,051
<b>Total Liabilities</b>	<u>818</u>	<u>209,966</u>
<b>Net Position:</b>		
Unrestricted	4,022,378	0
<b>Total Net Position</b>	<u>\$ 4,022,378</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, 2018***

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	Private Purpose Trust <u>Special Trust</u> <u>Fund</u>
<b>Additions:</b>	
Contributions:	
Sales	\$ 8,811
Private Donations	<u>2,072,466</u>
Total Contributions	<u>2,081,277</u>
Investment Earnings:	
Interest	<u>13,936</u>
Total Investment Earnings	<u>13,936</u>
Total Additions	<u>2,095,213</u>
<b>Deductions:</b>	
Administrative Expenses	<u>902,019</u>
Total Deductions	<u>902,019</u>
Change in Net Position	1,193,194
Net Position at Beginning of Year	<u>2,829,184</u>
Net Position End of Year	<u>\$ 4,022,378</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, 2018***

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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 1,451 noncertified and approximately 1,835 certified teaching personnel and administrative employees providing education to 23,096 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, 2018***

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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.

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

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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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; however, the interfund services provided and used are not eliminated in the process of consolidation. 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, 2018***

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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.

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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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, 2018, and which are not intended to finance fiscal year 2018 operations, have been recorded as deferred inflows of resources. 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.

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, 2018***

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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 2018.

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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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 2018 the Board of Education passed the annual certification on June 23, 2017.

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, 2018**

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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:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$14,212,999
Increase (Decrease):	
Accrued Revenues at June 30, 2018, received during FY 2019	(9,922,761)
Accrued Revenues at June 30, 2017, received during FY 2018	11,797,770
Accrued Expenditures at June 30, 2018, paid during FY 2019	37,054,460
Accrued Expenditures at June 30, 2017, paid during FY 2018	(35,251,779)
Perspective Difference:	
2017 Advance to Fiduciary Fund	66,600
2018 Advance to Fiduciary Fund	(58,000)
Activity of Funds Reclassified For GAAP Reporting Purposes	32,041
2017 Adjustment to Fair Value	(149,881)
2018 Adjustment to Fair Value	78,094
Encumbrances Outstanding	(17,642,711)
Budget Basis	<u>\$216,832</u>

**F. Cash and Investments**

Cash received by the District is deposited in one of four (4) 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 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 his definition; otherwise they are shown as "investments" for these funds. At June 30, 2018, there were no investment balances as defined under section 2450.106 of the 2004 GASB Codification.



***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

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

During fiscal year 2018, investment purchases were exclusively limited to Star Ohio, Commercial Paper, Banker's Acceptance, U.S. Treasury Obligations, U.S. Agency Issues, Interest Bearing Savings Accounts, Sweep Accounts, Negotiable Orders of Withdrawals and Money Market Mutual Funds. Except for participating interest earning investments and money market investments that had a remaining maturity of one year or less at the time of purchase and nonparticipating interest earning investments, investments are reported at fair value. All remaining investments are reported at cost. Under existing Ohio Statutes, all investment earnings accrue to the General Fund except those specifically related to certain funds and in accordance with Board Policy, Board Resolution and the Administrative Policy for Investment and Cash Management Activity. The District's investments are affected by fair value change; therefore, they are participating. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$1,584,578, which includes \$735,004 assigned from other funds.

The District has invested funds in the STAR Ohio during 2018. 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, 2018.

The District invests inactive funds for the School Building Support, Vocational Rotary, and Administratively Managed Student Activity Funds and distributes interest earned on these funds to the individual cost centers. The District also invests inactive funds in the Auxiliary Services Program Fund, the School Facilities Maintenance Fund, the Locally Funded Initiatives Fund, the Classroom Facilities Project Fund, the Permanent Improvement Fund, the Employee Benefit Insurance Fund, the Worker's Compensation Fund, and the Severance Fund and distributes interest earned directly to the funds. See Note 5, "Cash, Cash Equivalents and Investments."

From June 30, 2017 to June 30, 2018, the investment portfolio exhibited an increase in fair value of approximately \$19,833,699 from \$122,136,645 to \$151,683,544, while the average maturity as measured by remaining life decreased by 44 days from 213 days to 169 days; and the average yield increased by 92 basis points (.918%) from .865% to 1.783%. The increase in fair value was directly attributable to the increase and stability in fund balances, providing additional monies for investment purposes.

For years ended 2017 to 2018, interest earnings receipted on a cash basis for all funds decreased \$760,846 from \$2,738,116 to \$1,977,270. As of June 30, 2018, there were additional interest earnings of \$2,277,077 to be receipted in future months. Interest earnings on a cash basis increased approximately 113% as interest rates continued to rise and available fund balances to invest increased.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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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.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The District does not possess any infrastructure. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition.

**2. Depreciation**

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

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

**I. Long-Term Obligations**

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

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

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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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.

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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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/Other Postemployment Benefits (OPEB)**

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

**N. Intergovernmental Revenues**

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

**O. Interfund Activity**

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**P. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Q. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2018.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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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, for pension and for OPEB. 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 and OPEB plans are explained in Notes 11 and 12, respectively.

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 until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB 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 and OPEB plans are reported on the government-wide statement of net position explained in Notes 11 and 12, respectively.

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

The District had errors in the cash basis posting of various wages, benefits and insurance expenditures in its accounting system. To properly present the correct cash balance in all of the District’s funds, it is necessary to restate the beginning balance at June 30, 2017.

Also for fiscal year 2018, the District implemented GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”.

Statement No. 75 replaces the requirements of GASB Statement No. 45 and addresses accounting and financial reporting for postemployment benefits that are provided to the employees of state and local government employers. In addition, it establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and addresses note disclosure and required supplementary information requirements.

The adjustments for the posting errors and the implementation of GASB 75 had the following effect on net position as reported June 30, 2017:

	Governmental Activities	General Fund	Nonmajor Governmental Funds	Internal Service Funds
Net position June 30, 2017	\$142,745,552	\$60,511,184	\$29,855,707	\$22,099,590
Adjustments:				
Cash Basis Posting Error	6,991,389	(395,647)	(94,256)	7,481,292
Net OPEB Liability	(102,595,804)	0	0	0
Deferred Outflow - Payments Subsequent to the Measurement Date	647,221	0	0	0
Restated Net Position June 30, 2017	<u>\$47,788,358</u>	<u>\$60,115,537</u>	<u>\$29,761,451</u>	<u>\$29,580,882</u>

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**NOTE 3 – FUND BALANCES**

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory Held for Resale	\$80,303	\$0	\$80,303
Corpus	0	566,923	566,923
Total Nonspendable	<u>80,303</u>	<u>566,923</u>	<u>647,226</u>
Restricted:			
Endowments	0	183,706	183,706
Food Services	0	1,785,103	1,785,103
Adult Education	0	456,032	456,032
School Facilities Maintenance	0	10,644,841	10,644,841
Auxiliary Services	0	330,048	330,048
Extracurricular Activities	0	327,905	327,905
Technology Improvements	0	29,534	29,534
Targeted Academic Assistance	0	1,375,468	1,375,468
Debt Service Payments	0	5,855,374	5,855,374
Capital Acquisition and Improvement	0	12,104,320	12,104,320
Total Restricted	<u>0</u>	<u>33,092,331</u>	<u>33,092,331</u>
Committed:			
Budget Stabilization	6,621,906	0	6,621,906
Assigned:			
Encumbrances for Purchase Orders	7,847,243	0	7,847,243
Uniform School Supplies	469,482	0	469,482
Rotary Special Services	63,286	0	63,286
Public School Support	561,228	0	561,228
Total Assigned	<u>8,941,239</u>	<u>0</u>	<u>8,941,239</u>
Unassigned (Deficits):	<u>58,685,088</u>	<u>(2,130,876)</u>	<u>56,554,212</u>
Total Fund Balances (Deficits)	<u>\$74,328,536</u>	<u>\$31,528,378</u>	<u>\$105,856,914</u>



**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

***Fund Deficits*** - The fund deficits at June 30, 2018 of \$28,143 in the Payroll Liabilities Fund (Internal Service Fund), \$5,124 in the Public School Preschool Fund, \$27,197 in the Data Communication Fund, \$141 in the Alternative Schools Fund, \$15,767 in the Miscellaneous State Grant Fund, \$520 in the Race to the Top Fund, \$423,408 in the Special Education Handicapped Fund, \$69,115 in the Vocational Education Fund, \$1,527 in the Title VII Bilingual Education Program Fund, \$1,337,165 in the Title I Fund, \$4,933 in the Preschool Grants for the Handicapped Fund, \$35,668 in the Improving Teacher Quality Fund, \$34,983 in the Miscellaneous Federal Grants Fund, \$175,168 in the Title I School Improvement Stimulus A Fund and \$160 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.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

***Deposits with Financial Institutions***

At June 30, 2018, the carrying value of all District deposits was \$37,571,843, including cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, at June 30, 2018 cash concentration accounts, savings accounts, mutual funds and certificates of deposit totaled \$38,925,733. Of this amount, \$38,175,733 was exposed to custodial risk as discussed below, while \$750,000 was covered by Federal Deposit Insurance Corporation.

Custodial risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. Consistent with the requirements of state law, it is the policy of the District to require full collateralization of all District investments and funds on deposit with any depository. All deposits are collateralized in accordance with Ohio Revised Code 135 and the State of Ohio Pooled Collateral Program. 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, 2018, 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, 2018**

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

**Investments**

As of June 30, 2018, the District had the following investments and maturities.

Investment Type	June 30, 2018	June 30, 2018	Fair Value Hierarchy	Investment Maturities (in Years)		
	Adjusted Cost	Fair Value		less than 1	1-2	2-5
Star Ohio	\$20,253,526	\$20,253,526	N/A	\$20,253,526	\$0	\$0
Commercial Paper	26,222,662	26,350,610	Level 2	26,350,610	0	0
US Treasury Securities	60,549,256	60,284,195	Level 1	37,304,493	13,950,547	9,029,155
Non-Callable US Agency Securities	44,536,015	44,795,213	Level 2	44,795,213	0	0
Total Investments	<u>\$151,561,459</u>	<u>\$151,683,544</u>		<u>\$128,703,842</u>	<u>\$13,950,547</u>	<u>\$9,029,155</u>
				<u>84.85%</u>	<u>9.20%</u>	<u>5.95%</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:	301
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	169
The Average Duration of the Entire Investment Portfolio is:	0.45
The Weighted Average Coupon of the Entire Portfolio is:	0.537%
The Weighted Average Yield of the Entire Portfolio is:	1.783%

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, 2018, 84.85% of the investment portfolio matures within one year.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

***Investment Policy***

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

***Credit Risk***

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

***Concentration of Credit Risk***

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

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

The following table includes the percentage of total of each investment type held by the District at June 30, 2018:

Concentration of Credit Risk by Investment Type

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$20,253,526	13.35%
Commercial Paper	26,350,610	17.37%
US Treasury Securities	60,284,195	39.74%
Non-Callable US Agency Securities	44,795,213	29.54%
Total Investments	<u>\$151,683,544</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, 2018:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$20,253,526	13.35%
JP Morgan Securities	11,397,152	7.51%
Natixis New York Branch	7,486,125	4.94%
MUFG Bank LTD/NY	7,467,333	4.92%
United States Treasury Securities	60,284,195	39.74%
Federal Home Loan Bank System	22,363,275	14.74%
Federal Home Loan Mortgage Corporation	22,431,938	14.79%
Total Investments	<u>\$151,683,544</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, 2018**

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**NOTE 6 - PROPERTY TAXES**

**A. Property Tax**

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

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2018 were levied after April 1, 2017 on assessed values as of January 1, 2017, 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 2018, upon which the 2017 levies were based, were as follows:

	2017 Second Half Collections	2018 First Half Collections
Real Estate	\$2,089,001,810	\$2,088,345,590
Tangible Personal and Public Utility Property	179,272,160	183,120,890
Total Assessed Value	<u>\$2,268,273,970</u>	<u>\$2,271,466,480</u>
Tax rate per \$1,000 of assessed valuation	\$73.10	\$73.10

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 6 - PROPERTY TAXES (Continued)**

**B. Tax Abatements**

***Real Estate Tax Abatements***

As of June 30, 2018, the City of Toledo and Lucas County provide tax incentives under three programs: Tax Increment Financing (TIF), Enterprise Zones, and Community Reinvestment Areas (CRA).

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

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

The City of Toledo had 24 individual agreements under these programs. These abatements reduced the District's property tax revenues by \$2,302,211 in fiscal year 2018.

Lucas County had 3 individual agreements under these programs. These abatements reduced the District's property tax revenues by \$156,757 in in fiscal year 2018.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2018 consisted of taxes receivable, interest receivable, accounts receivable, interfund loans receivable and intergovernmental receivables.

**NOTE 8 - INTERFUND RECEIVABLES/PAYABLES**

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2018 from one individual fund to another are as follows:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$1,882,810	\$0
Nonmajor Governmental Funds	0	1,854,667
Internal Service Funds	0	28,143
Totals	<u>\$1,882,810</u>	<u>\$1,882,810</u>

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

**NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds at June 30, 2018:

	Transfers In:			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
<u>Transfers Out:</u>				
General Fund	\$0	\$282,096	\$0	\$282,096
Nonmajor Governmental Funds	174	0	0	174
Internal Service Funds	0	0	13,366,819	0
	<u>\$174</u>	<u>\$282,096</u>	<u>\$13,366,819</u>	<u>\$13,649,089</u>

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



**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**NOTE 10 - CAPITAL ASSETS**

**Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2018:

*Historical Cost:*

Class	June 30, 2017	Additions	Deletions	June 30, 2018
<i>Capital assets not being depreciated:</i>				
Land	\$13,897,335	\$0	\$0	\$13,897,335
<i>Capital assets being depreciated:</i>				
Land Improvements	8,533,154	0	0	8,533,154
Buildings	614,927,050	7,891,468	0	622,818,518
Building Improvements	27,414,911	0	0	27,414,911
Machinery and Equipment	18,704,711	4,315,807	0	23,020,518
Vehicles	13,217,710	1,747,486	(588,122)	14,377,074
Total Cost	\$696,694,871	\$13,954,761	(\$588,122)	\$710,061,510

*Accumulated Depreciation:*

Class	June 30, 2017	Additions	Deletions	June 30, 2018
Land Improvements	(\$8,497,616)	(\$38,321)	\$0	(\$8,535,937)
Buildings	(118,827,492)	(12,005,445)	0	(130,832,937)
Building Improvements	(20,456,994)	(172,580)	0	(20,629,574)
Machinery and Equipment	(14,016,945)	(2,208,576)	0	(16,225,521)
Vehicles	(10,518,449)	(1,067,087)	584,522	(11,001,014)
Total Depreciation	(\$172,317,496)	(\$15,492,009) *	\$584,522	(\$187,224,983)
<i>Net Value:</i>	\$524,377,375			\$522,836,527

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

Instruction	\$12,884,633
Support Services	2,336,521
Non-Instructional Services	259,668
Extracurricular Activities	11,187
Total Depreciation Expense	\$15,492,009

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

**A. Net Pension Liability**

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

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

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

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description**

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

Plan Description –District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](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 65 with 5 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.

Effective January 1, 2018, cost-of-living adjustment (COLA) will change from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. HB 49 also provided the SERS Retirement Board with the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W; however, any adjustment above or below CPI-W could only be enacted if the system’s actuary determines it would not materially impair the fiscal integrity of the system, or is necessary to preserve the fiscal integrity of the system.

*Funding Policy* – Plan members are required to contribute 10 percent of their annual covered salary and the School 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. 0.5 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$7,762,211 for fiscal year 2018. Of this amount \$1,566,520 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description** (Continued)

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

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](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, 2018**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description** (Continued)

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

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

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14% and the member rate was 14% of covered payroll.

The District's contractually required contribution to STRS was \$21,797,546 for fiscal year 2018. Of this amount \$3,806,464 is reported as an intergovernmental payable.

**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, 2017, 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.

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**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$96,478,386	\$302,138,013	\$398,616,399
Proportion of the Net Pension Liability -2018	1.6147607%	1.2718808%	
Proportion of the Net Pension Liability -2017	<u>1.3145201%</u>	<u>1.1947738%</u>	
Percentage Change	<u>0.3002406%</u>	<u>0.0771070%</u>	
Pension Expense	(\$358,743)	(\$106,902,409)	(\$107,261,152)

At June 30, 2018, 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	\$4,152,096	\$11,667,150	\$15,819,246
Change of assumptions	4,988,971	66,080,903	71,069,874
School District contributions subsequent to the measurement date	7,762,211	21,797,546	29,559,757
Changes in proportionate share	<u>12,716,945</u>	<u>32,513,564</u>	<u>45,230,509</u>
Total Deferred Outflows of Resources	<u>\$29,620,223</u>	<u>\$132,059,163</u>	<u>\$161,679,386</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$2,435,114	\$2,435,114
Net difference between projected and actual earnings on pension plan investments	<u>457,961</u>	<u>9,970,909</u>	<u>10,428,870</u>
Total Deferred Inflows of Resources	<u>\$457,961</u>	<u>\$12,406,023</u>	<u>\$12,863,984</u>

\$29,559,757 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 fiscal year ending June 30, 2019. 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:			
2019	\$8,798,439	\$23,859,140	\$32,657,579
2020	9,216,816	37,423,009	46,639,825
2021	7,091,776	26,770,394	33,862,170
2022	<u>(3,706,980)</u>	<u>9,803,051</u>	<u>6,096,071</u>
Total	<u>\$21,400,051</u>	<u>\$97,855,594</u>	<u>\$119,255,645</u>

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions**

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

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table set back five years 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, 2015.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$133,886,926	\$96,478,386	\$65,141,102



**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

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

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	2.50 percent at age 65 to 12.50 percent at age 20
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

Mortality rates were based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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 Rate of Return</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
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, 2018**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$433,104,562	\$302,138,013	\$191,818,330

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

**A. Net OPEB Liability**

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

**B. Plan Description**

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

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

**B. Plan Description (Continued)**

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$739,012.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$1,026,501 for fiscal year 2018. Of this amount, \$739,012 is reported as an intergovernmental payable.

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**B. Plan Description (Continued)**

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can 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 to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability Current Measurement Date	1.6246029%	1.2718808%	
Proportionate Share of the Net OPEB Liability	\$43,600,073	\$49,624,096	\$93,224,169
OPEB Expense	\$5,592,358	(\$13,964,394)	(\$8,372,036)

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$0	\$2,864,610	\$2,864,610
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	5,584,743	3,534,603	9,119,346
District contributions subsequent to the measurement date	<u>1,026,501</u>	<u>0</u>	<u>1,026,501</u>
Total Deferred Outflows of Resources	<u>\$6,611,244</u>	<u>\$6,399,213</u>	<u>\$13,010,457</u>
<b>Deferred Inflows of Resources</b>			
Changes of assumptions	\$4,137,422	\$3,997,387	\$8,134,809
Net difference between projected and actual earnings on OPEB plan investments	<u>115,137</u>	<u>2,121,050</u>	<u>2,236,187</u>
Total Deferred Inflows of Resources	<u>\$4,252,559</u>	<u>\$6,118,437</u>	<u>\$10,370,996</u>

\$1,026,501 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$495,608	(\$129,957)	\$365,651
2020	495,608	(129,957)	365,651
2021	495,608	(129,957)	365,651
2022	(154,640)	(129,959)	(284,599)
2023	0	400,305	400,305
Thereafter	<u>0</u>	<u>400,301</u>	<u>400,301</u>
Total	<u>\$1,332,184</u>	<u>\$280,776</u>	<u>\$1,612,960</u>

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**D. Actuarial Assumptions**

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

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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 OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**D. Actuarial Assumptions (Continued)**

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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



**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**D. Actuarial Assumptions (Continued)**

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$52,652,640	\$43,600,073	\$36,428,129

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$35,378,192	\$43,600,073	\$54,481,874

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018***

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

**D. Actuarial Assumptions (Continued)**

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**D. Actuarial Assumptions (Continued)**

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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

**D. Actuarial Assumptions (Continued)**

The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
District's proportionate share of the Net OPEB liability	\$66,619,553	\$49,624,096	\$36,192,132
		<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$34,476,695	\$49,624,096	\$69,559,849

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**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**NOTE 13 - LONG-TERM DEBT**

Long-term debt of the District at June 30, 2018 was as follows:

Description	Balance June 30, 2017	Issued	(Retired)	Balance June 30, 2018	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%)	\$684,995	\$0	(\$684,995)	\$0	\$0
Premium General Obligation Bond	11,541	0	(11,541)	0	0
School Facility Improvement 2012					
G.O. Bond (2.00% - 5.375%)	43,420,000	0	(4,765,000)	38,655,000	4,985,000
Premium General Obligation Bond	4,290,531	0	(536,317)	3,754,214	0
School Facility Improvement 2012B					
G.O. Bond (2.00% - 5.375%)	31,780,000	0	(50,000)	31,730,000	50,000
Premium General Obligation Bond	3,805,622	0	(237,852)	3,567,770	0
School Facility Improvement 2014					
G.O. Bond (2.00% - 5.00%)	30,800,000	0	(25,000)	30,775,000	25,000
Premium General Obligation Bond	3,463,117	0	(230,875)	3,232,242	0
School Facility Improvement 2016					
G.O. Bond (2.00% - 5.00%)	21,920,000	0	0	21,920,000	0
Premium General Obligation Bond	2,620,468	0	(145,581)	2,474,887	0
Total General Obligation Bond	142,796,274	0	(6,687,161)	136,109,113	5,060,000
Net Pension and OPEB Liability					
School Teachers Retirement System - Net Pension	399,926,804	0	(97,788,791)	302,138,013	0
School Employees Retirement System - Net Pension	96,210,741	267,645	0	96,478,386	0
School Teachers Retirement System - OPEB	63,896,813	0	(14,272,717)	49,624,096	0
School Employees Retirement System - OPEB	38,698,991	4,901,082	0	43,600,073	0
Total Net Pension and OPEB Liability	598,733,349	5,168,727	(112,061,508)	491,840,568	0
<u>Other Obligations:</u>					
Compensated Absences	14,462,860	6,442,210	(3,711,361)	17,193,709	938,939
Long-Term Debt and Other Long-Term Obligations	\$755,992,483	\$11,610,937	(122,460,030)	\$645,143,390	\$5,998,939

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

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**NOTE 13 - LONG-TERM DEBT (Continued)**

**Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements for the general obligation bonds payable, including principal and interest payments as of June 30, 2018, follows:

<u>General Obligation Bonds Payable</u>			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	5,060,000	5,589,339	10,649,339
2020	6,230,000	5,252,363	11,482,363
2021	6,460,000	4,995,013	11,455,013
2022	6,760,000	4,695,088	11,455,088
2023	7,075,000	4,380,609	11,455,609
2024-2028	39,335,000	16,947,254	56,282,254
2029-2033	46,835,000	6,942,850	53,777,850
2034-2036	5,325,000	332,609	5,657,609
Totals	<u>\$123,080,000</u>	<u>\$49,135,125</u>	<u>\$172,215,125</u>

**NOTE 14 - ENDOWMENTS**

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. Under the terms of the endowment/trust, and consistent with State statutes, the District is authorized to spend the net appreciation from the trust for any disbursements that are consistent with the original trust agreement. At June 30, 2018, accumulated available net appreciation of \$183,706 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, 2018**

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**NOTE 15 - RISK MANAGEMENT**

The District is exposed to financial loss resulting from District-caused damage to property or bodily injuries or illness of employees, unemployment compensation benefits to previous employees, and employee health care, prescription drug, dental and life insurance benefits. The Health 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 Health Insurance and Workers Compensation Funds to determine the recommended funding levels for related risk areas. The claims liability of \$6,310,200 (Accrued Wages and Benefits) reported in the Health Insurance Fund and \$53,949 (Intergovernmental Payable) in the Workers Compensation Self-Insurance Fund is based on the requirements of Government Accounting Standards Board Statement 10 as amended by Government Accounting Standards Board Statement 30. This statement requires that a liability for claims be reported if information indicates, prior to the issuance of the financial statements, that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities are considered current and due within one year.

Changes in the fund's claims liability amount in 2017 and 2018 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>
2017	\$5,738,548	46,546,688	(46,386,780)	\$5,898,456
2018	5,898,456	55,222,017	(54,756,324)	6,364,149

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, 2018**

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**NOTE 16 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2018, the reserve activity (cash-basis) was as follows:

	<u>Capital Maintenance</u>
Set-aside Balance as of June 30, 2017	\$0
Current Year Set-Aside Requirement	3,887,188
Current Year Offset Credits	(6,691,676)
Qualifying Disbursements	<u>(15,283,605)</u>
Total	<u><u>(\$18,088,093)</u></u>
Set-aside Balance Carried Forward to FY 2018	<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 17 – SIGNIFICANT COMMITMENTS**

Significant encumbrances outstanding at year-end in the General Fund are \$17,642,709 and are reported as part of accounts payable and assigned fund balance. Also, in the School Facilities Maintenance Fund, the Head Start Fund (special revenue funds), the Permanent Improvement Fund and the Classroom Facilities Fund (capital projects funds) there are significant encumbrances outstanding in the amounts of \$4,177,023, \$1,692,066, \$1,395,374 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, 2018***

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**NOTE 18 - CONTINGENCIES**

**A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

**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, 2018. The District's management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the District.

**C. School Foundation**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. 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, 2018 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.

*REQUIRED SUPPLEMENTAL INFORMATION*

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**TOLEDO CITY SCHOOL DISTRICT**

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

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**State Teachers Retirement System**

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	1.0940502%	1.1429090%	1.1947738%	1.2718808%
District's proportionate share of the net pension liability (asset)	\$266,110,874	\$315,866,629	\$399,926,804	\$302,138,013
District's covered payroll	\$115,286,315	\$114,103,786	\$123,521,243	\$137,344,686
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230.83%	276.82%	323.77%	219.99%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%	66.80%	75.30%

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

**School Employees Retirement System**

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	1.2916890%	1.4207686%	1.3145201%	1.6147607%
District's proportionate share of the net pension liability (asset)	\$65,371,646	\$81,070,432	\$96,210,741	\$96,478,386
District's covered payroll	\$37,746,919	\$33,411,912	\$39,854,686	\$40,989,557
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.18%	242.64%	241.40%	235.37%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%	62.98%	69.50%

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

Notes: The District implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as the information becomes available. Information prior to 2015 is not available.

**TOLEDO CITY SCHOOL DISTRICT**

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

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**State Teachers Retirement System**

Fiscal Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Contractually required contribution	\$17,543,409	\$17,824,505	\$15,853,676	\$11,793,968
Contributions in relation to the contractually required contribution	<u>17,543,409</u>	<u>17,824,505</u>	<u>15,853,676</u>	<u>11,793,968</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$134,949,300	\$137,111,577	\$121,951,354	\$90,722,831
Contributions as a percentage of covered 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Contractually required contribution	\$4,206,668	\$5,599,201	\$4,769,037	\$4,435,526
Contributions in relation to the contractually required contribution	<u>4,206,668</u>	<u>5,599,201</u>	<u>4,769,037</u>	<u>4,435,526</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$42,750,691	\$41,353,035	\$37,939,833	\$32,977,888
Contributions as a percentage of covered payroll	9.84%	13.54%	12.57%	13.45%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$15,535,008	\$14,987,221	\$15,974,530	\$17,292,974	\$19,228,256	\$21,797,546
<u>15,535,008</u>	<u>14,987,221</u>	<u>15,974,530</u>	<u>17,292,974</u>	<u>19,228,256</u>	<u>21,797,546</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$119,500,061	\$115,286,315	\$114,103,786	\$123,521,243	\$137,344,686	\$155,696,757
13.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$6,786,840	\$5,231,723	\$4,403,690	\$5,579,656	\$5,738,538	\$7,762,211
<u>6,786,840</u>	<u>5,231,723</u>	<u>4,403,690</u>	<u>5,579,656</u>	<u>5,738,538</u>	<u>7,762,211</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$49,037,861	\$37,746,919	\$33,411,912	\$39,854,686	\$40,989,557	\$57,497,859
13.84%	13.86%	13.18%	14.00%	14.00%	13.50%

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability  
Last Two Fiscal Years***

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**State Teachers Retirement System**

Fiscal Year	<u>2017</u>	<u>2018</u>
District's proportion of the net OPEB liability (asset)	1.1947738%	1.2718808%
District's proportionate share of the net OPEB liability (asset)	\$63,896,813	\$49,624,096
District's covered payroll	\$123,521,243	\$137,344,686
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	51.73%	36.13%
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%

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

**School Employees Retirement System**

Fiscal Year	<u>2017</u>	<u>2018</u>
District's proportion of the net OPEB liability (asset)	1.3576831%	1.6246029%
District's proportionate share of the net OPEB liability (asset)	\$38,698,991	\$43,600,073
District's covered payroll	\$39,854,686	\$40,989,557
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	97.10%	106.37%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	12.46%

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

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of District Other Postemployment Benefit (OPEB) Contributions  
Last Four Fiscal Years***

---

**State Teachers Retirement System**

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$0	\$0	\$0	\$0
Contributions in relation to the contractually required contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$114,103,786	\$123,521,243	\$137,344,686	\$155,696,757
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

**School Employees Retirement System**

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$734,430	\$796,662	\$594,639	\$1,026,501
Contributions in relation to the contractually required contribution	<u>734,430</u>	<u>796,662</u>	<u>594,639</u>	<u>1,026,501</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$33,411,912	\$39,854,686	\$40,989,557	\$57,497,859
Contributions as a percentage of covered payroll	2.20%	2.00%	1.45%	1.79%

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

Notes: The District implemented GASB Statement 75 in 2018.  
Information prior to 2015 is not available.

## **TOLEDO CITY SCHOOL DISTRICT**

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### ***Notes to the Required Supplemental Information for the Fiscal Year Ended June 30, 2018***

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#### **NET PENSION LIABILITY**

##### **SERS**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2015 - 2018.

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

##### **STRS**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2015 - 2017. Effective July 1, 2017, the COLA was reduced to zero.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2015-2017. The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience. See the notes to the basic financials for the methods and assumptions in this calculation.



**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Required Supplemental Information  
for the Fiscal Year Ended June 30, 2018***

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**NET OPEB LIABILITY**

**SERS**

*Changes in assumptions:* Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**STRS**

*Changes in assumptions:* For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.



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

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***T**HE 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.

**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 Grants 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.

**Preschool Grants for the Handicapped Fund**

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

**Improving Teacher Quality Fund**

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

**Miscellaneous Federal Grants Fund**

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which is not classified elsewhere.

**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.

(Continued)

***Special Revenue Funds***

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**Head Start Fund**

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

***Debt Service Fund***

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**Debt Service Fund**

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

***Capital Projects Fund***

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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.

**Locally Funded Initiative Fund**

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

**Classroom Facilities Fund**

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

***Permanent Fund***

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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, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 17,660,474	\$ 5,319,757	\$ 29,935,956	\$ 741,742	\$ 53,657,929
Cash with Fiscal Agent	0	0	100,058	0	100,058
Receivables:					
Taxes	1,228,944	11,752,157	4,816,352	0	17,797,453
Accounts	50,744	0	2,200	0	52,944
Intergovernmental	22,829,007	0	0	0	22,829,007
Interest	174,146	0	351,039	8,887	534,072
Inventory Held for Resale	139,657	0	0	0	139,657
<b>Total Assets</b>	<b>\$ 42,082,972</b>	<b>\$ 17,071,914</b>	<b>\$ 35,205,605</b>	<b>\$ 750,629</b>	<b>\$ 95,111,120</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 4,632,084	\$ 0	\$ 18,353,725	\$ 0	\$ 22,985,809
Accrued Wages and Benefits	3,121,925	0	0	0	3,121,925
Intergovernmental Payable	740,887	0	0	0	740,887
Retainage Payable	0	0	100,058	0	100,058
Interfund Loans Payable	1,854,667	0	0	0	1,854,667
<b>Total Liabilities</b>	<b>10,349,563</b>	<b>0</b>	<b>18,453,783</b>	<b>0</b>	<b>28,803,346</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	18,021,785	2,987,888	853,213	0	21,862,886
Property Tax for Next Fiscal Year	893,569	8,228,652	3,794,289	0	12,916,510
<b>Total Deferred Inflows of Resources</b>	<b>18,915,354</b>	<b>11,216,540</b>	<b>4,647,502</b>	<b>0</b>	<b>34,779,396</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	566,923	566,923
Restricted	14,948,931	5,855,374	12,104,320	183,706	33,092,331
Unassigned	(2,130,876)	0	0	0	(2,130,876)
<b>Total Fund Balances</b>	<b>12,818,055</b>	<b>5,855,374</b>	<b>12,104,320</b>	<b>750,629</b>	<b>31,528,378</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 42,082,972</b>	<b>\$ 17,071,914</b>	<b>\$ 35,205,605</b>	<b>\$ 750,629</b>	<b>\$ 95,111,120</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, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 965,995	\$ 10,188,873	\$ 3,118,096	\$ 0	\$ 14,272,964
Tuition	406,998	0	0	0	406,998
Food Services	497,126	0	0	0	497,126
Investment Earnings	878,055	0	376,526	8,682	1,263,263
Extracurricular Activities	362,465	0	0	0	362,465
Class Materials and Fees	1,949	0	0	0	1,949
Intergovernmental - State	5,641,525	2,075,809	153,570	0	7,870,904
Intergovernmental - Federal	50,121,709	0	0	0	50,121,709
All Other Revenue	2,026,176	338	97	0	2,026,611
<b>Total Revenue</b>	<b>60,901,998</b>	<b>12,265,020</b>	<b>3,648,289</b>	<b>8,682</b>	<b>76,823,989</b>
<b>Expenditures:</b>					
Current:					
Instruction	16,436,134	0	0	0	16,436,134
Supporting Services	19,408,467	222,260	62,959	1,163	19,694,849
Operation of Non-Instructional Services	26,079,048	0	0	0	26,079,048
Extracurricular Activities	516,803	0	0	0	516,803
Capital Outlay	0	0	1,225,337	0	1,225,337
Principal Retirement	0	5,524,995	0	0	5,524,995
Interest and Fiscal Charges	0	5,861,818	0	0	5,861,818
<b>Total Expenditures</b>	<b>62,440,452</b>	<b>11,609,073</b>	<b>1,288,296</b>	<b>1,163</b>	<b>75,338,984</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,538,454)	655,947	2,359,993	7,519	1,485,005
<b>Other Financing Sources (Uses):</b>					
Transfers In	282,096	0	0	0	282,096
Transfers Out	(174)	0	0	0	(174)
<b>Total Other Financing Sources (Uses)</b>	<b>281,922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281,922</b>
Net Change in Fund Balances	(1,256,532)	655,947	2,359,993	7,519	1,766,927
<b>Fund Balances at Beginning of Year, as Restated</b>	<b>14,074,587</b>	<b>5,199,427</b>	<b>9,744,327</b>	<b>743,110</b>	<b>29,761,451</b>
<b>Fund Balances End of Year</b>	<b>\$ 12,818,055</b>	<b>\$ 5,855,374</b>	<b>\$ 12,104,320</b>	<b>\$ 750,629</b>	<b>\$ 31,528,378</b>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,837,529	\$ 462,437	\$ 711,218	\$ 13,694,738
Receivables:				
Taxes	0	0	0	1,228,944
Accounts	5,971	30,667	13,679	0
Intergovernmental	0	49,703	0	0
Interest	2,836	0	0	159,397
Inventory Held for Resale	139,657	0	0	0
<b>Total Assets</b>	<b>\$ 1,985,993</b>	<b>\$ 542,807</b>	<b>\$ 724,897</b>	<b>\$ 15,083,079</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 24,607	\$ 24,618	\$ 168,369	\$ 3,260,008
Accrued Wages and Benefits	26,869	32,855	1,819	0
Intergovernmental Payable	146,409	20,062	1,329	255
Interfund Loans Payable	3,005	9,240	8,354	0
<b>Total Liabilities</b>	<b>200,890</b>	<b>86,775</b>	<b>179,871</b>	<b>3,260,263</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	284,406
Property Tax for Next Fiscal Year	0	0	0	893,569
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,177,975</b>
<b>Fund Balances:</b>				
Restricted	1,785,103	456,032	545,026	10,644,841
Unassigned	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>1,785,103</b>	<b>456,032</b>	<b>545,026</b>	<b>10,644,841</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,985,993</b>	<b>\$ 542,807</b>	<b>\$ 724,897</b>	<b>\$ 15,083,079</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
\$ 346,469	\$ 516,478	\$ 29,534	\$ 30,806	\$ 0	\$ 25,014
0	0	0	0	0	0
0	0	0	0	0	0
0	56,119	0	26,994	36,328	5,502
4,621	7,292	0	0	0	0
0	0	0	0	0	0
<u>\$ 351,090</u>	<u>\$ 579,889</u>	<u>\$ 29,534</u>	<u>\$ 57,800</u>	<u>\$ 36,328</u>	<u>\$ 30,516</u>
\$ 22,390	\$ 21,019	\$ 0	\$ 0	\$ 0	\$ 1,250
300	172,820	0	20,680	0	0
495	27,408	0	15,250	0	0
0	28,594	0	0	27,197	52
<u>23,185</u>	<u>249,841</u>	<u>0</u>	<u>35,930</u>	<u>27,197</u>	<u>1,302</u>
0	0	0	26,994	36,328	4,899
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>26,994</u>	<u>36,328</u>	<u>4,899</u>
327,905	330,048	29,534	0	0	24,315
0	0	0	(5,124)	(27,197)	0
<u>327,905</u>	<u>330,048</u>	<u>29,534</u>	<u>(5,124)</u>	<u>(27,197)</u>	<u>24,315</u>
<u>\$ 351,090</u>	<u>\$ 579,889</u>	<u>\$ 29,534</u>	<u>\$ 57,800</u>	<u>\$ 36,328</u>	<u>\$ 30,516</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018**

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Special Education Handicapped
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 0	\$ 6,251	\$ 0	\$ 0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	76,612	0	5,067,698
Interest	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 82,863</b>	<b>\$ 0</b>	<b>\$ 5,067,698</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 10,069	\$ 0	\$ 17,178
Accrued Wages and Benefits	0	5,946	0	742,626
Intergovernmental Payable	141	7,997	0	114,748
Interfund Loans Payable	0	400	520	312,481
<b>Total Liabilities</b>	<b>141</b>	<b>24,412</b>	<b>520</b>	<b>1,187,033</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	74,218	0	4,304,073
Property Tax for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>74,218</b>	<b>0</b>	<b>4,304,073</b>
<b>Fund Balances:</b>				
Restricted	0	0	0	0
Unassigned	(141)	(15,767)	(520)	(423,408)
<b>Total Fund Balances (Deficit)</b>	<b>(141)</b>	<b>(15,767)</b>	<b>(520)</b>	<b>(423,408)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 0</b>	<b>\$ 82,863</b>	<b>\$ 0</b>	<b>\$ 5,067,698</b>

**TOLEDO CITY SCHOOL DISTRICT**

Vocational Education	Title VII Bilingual Education Program	Title I	Preschool Grants for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	427	0	0	0
263,092	47,099	6,819,052	24,078	2,220,314	1,089,960
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 263,092</u>	<u>\$ 47,099</u>	<u>\$ 6,819,479</u>	<u>\$ 24,078</u>	<u>\$ 2,220,314</u>	<u>\$ 1,089,960</u>
\$ 0	\$ 1,977	\$ 412,707	\$ 0	\$ 80,538	\$ 178,927
58,800	1,327	1,322,648	6,781	22,025	148,782
24,893	761	225,302	2,982	5,883	40,830
75,479	1,933	567,892	4,575	25,189	150,103
<u>159,172</u>	<u>5,998</u>	<u>2,528,549</u>	<u>14,338</u>	<u>133,635</u>	<u>518,642</u>
173,035	42,628	5,628,095	14,673	2,122,347	606,301
0	0	0	0	0	0
<u>173,035</u>	<u>42,628</u>	<u>5,628,095</u>	<u>14,673</u>	<u>2,122,347</u>	<u>606,301</u>
0	0	0	0	0	0
(69,115)	(1,527)	(1,337,165)	(4,933)	(35,668)	(34,983)
<u>(69,115)</u>	<u>(1,527)</u>	<u>(1,337,165)</u>	<u>(4,933)</u>	<u>(35,668)</u>	<u>(34,983)</u>
<u>\$ 263,092</u>	<u>\$ 47,099</u>	<u>\$ 6,819,479</u>	<u>\$ 24,078</u>	<u>\$ 2,220,314</u>	<u>\$ 1,089,960</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018**

	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	\$ 0	\$ 0	\$ 0	\$ 17,660,474
Receivables:				
Taxes	0	0	0	1,228,944
Accounts	0	0	0	50,744
Intergovernmental	1,230,822	0	5,815,634	22,829,007
Interest	0	0	0	174,146
Inventory Held for Resale	0	0	0	139,657
<b>Total Assets</b>	<b>\$ 1,230,822</b>	<b>\$ 0</b>	<b>\$ 5,815,634</b>	<b>\$ 42,082,972</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 94,772	\$ 0	\$ 313,655	\$ 4,632,084
Accrued Wages and Benefits	98,801	0	458,846	3,121,925
Intergovernmental Payable	18,907	160	87,075	740,887
Interfund Loans Payable	193,528	0	446,125	1,854,667
<b>Total Liabilities</b>	<b>406,008</b>	<b>160</b>	<b>1,305,701</b>	<b>10,349,563</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	999,982	0	3,703,806	18,021,785
Property Tax for Next Fiscal Year	0	0	0	893,569
<b>Total Deferred Inflows of Resources</b>	<b>999,982</b>	<b>0</b>	<b>3,703,806</b>	<b>18,915,354</b>
<b>Fund Balances:</b>				
Restricted	0	0	806,127	14,948,931
Unassigned	(175,168)	(160)	0	(2,130,876)
<b>Total Fund Balances (Deficit)</b>	<b>(175,168)</b>	<b>(160)</b>	<b>806,127</b>	<b>12,818,055</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,230,822</b>	<b>\$ 0</b>	<b>\$ 5,815,634</b>	<b>\$ 42,082,972</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, 2018**

	Food Service	Adult Education	Other Grants	School Facilities Maintenance
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 965,995
Tuition	0	365,530	0	0
Food Service	497,126	0	0	0
Investment Earnings	4,388	0	0	868,885
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
State Sources	220,084	189,472	0	1,166,854
Federal Sources	11,642,031	926,582	0	0
Miscellaneous Revenue	20,292	0	1,713,297	32
<b>Total Revenue</b>	<b>12,383,921</b>	<b>1,481,584</b>	<b>1,713,297</b>	<b>3,001,766</b>
<b>Expenditures:</b>				
Current:				
Instruction	0	1,327,289	35,280	0
Support Services	291,742	55,009	1,500,299	5,187,867
Non-Instructional Services	11,270,329	0	10,000	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>11,562,071</b>	<b>1,382,298</b>	<b>1,545,579</b>	<b>5,187,867</b>
Excess (Deficiency) of Revenues Over Expenditures	821,850	99,286	167,718	(2,186,101)
<b>Other Financing Sources (Uses):</b>				
Transfers In	183,712	0	0	0
Transfers Out	0	0	(20)	0
<b>Total Other Financing Sources (Uses)</b>	<b>183,712</b>	<b>0</b>	<b>(20)</b>	<b>0</b>
Net Change in Fund Balances	1,005,562	99,286	167,698	(2,186,101)
<b>Fund Balances at Beginning of Year, as Restated</b>	<b>779,541</b>	<b>356,746</b>	<b>377,328</b>	<b>12,830,942</b>
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ 1,785,103</b>	<b>\$ 456,032</b>	<b>\$ 545,026</b>	<b>\$ 10,644,841</b>



**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	41,468	0	0
0	0	0	0	0	0
4,782	0	0	0	0	0
362,465	0	0	0	0	0
1,949	0	0	0	0	0
0	2,796,910	0	962,161	55,463	1,415
0	0	0	0	0	0
46,477	0	0	0	0	44,850
<u>415,673</u>	<u>2,796,910</u>	<u>0</u>	<u>1,003,629</u>	<u>55,463</u>	<u>46,265</u>
263	0	0	995,273	0	0
0	56,256	0	20,379	111,145	41,061
0	2,497,907	0	0	0	0
516,803	0	0	0	0	0
<u>517,066</u>	<u>2,554,163</u>	<u>0</u>	<u>1,015,652</u>	<u>111,145</u>	<u>41,061</u>
(101,393)	242,747	0	(12,023)	(55,682)	5,204
98,384	0	0	0	0	0
(154)	0	0	0	0	0
<u>98,230</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(3,163)	242,747	0	(12,023)	(55,682)	5,204
331,068	87,301	29,534	6,899	28,485	19,111
<u>\$ 327,905</u>	<u>\$ 330,048</u>	<u>\$ 29,534</u>	<u>\$ (5,124)</u>	<u>\$ (27,197)</u>	<u>\$ 24,315</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, 2018**

	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	87,931	161,235	0	0
Federal Sources	0	0	0	7,204,362
Miscellaneous Revenue	0	0	0	0
<b>Total Revenue</b>	<b>87,931</b>	<b>161,235</b>	<b>0</b>	<b>7,204,362</b>
<b>Expenditures:</b>				
Current:				
Instruction	47,967	39,204	0	4,330,552
Support Services	0	128,007	0	1,949,249
Non-Instructional Services	0	0	0	929,315
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>47,967</b>	<b>167,211</b>	<b>0</b>	<b>7,209,116</b>
Excess (Deficiency) of Revenues Over Expenditures	39,964	(5,976)	0	(4,754)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	39,964	(5,976)	0	(4,754)
<b>Fund Balances at Beginning of Year, as Restated</b>	<b>(40,105)</b>	<b>(9,791)</b>	<b>(520)</b>	<b>(418,654)</b>
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ (141)</b>	<b>\$ (15,767)</b>	<b>\$ (520)</b>	<b>\$ (423,408)</b>

**TOLEDO CITY SCHOOL DISTRICT**

Vocational Education	Title VII Bilingual Education Program	Title I	Preschool Grants for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
833,598	74,164	13,405,326	128,968	1,079,028	1,580,181
0	0	0	0	0	201,228
<u>833,598</u>	<u>74,164</u>	<u>13,405,326</u>	<u>128,968</u>	<u>1,079,028</u>	<u>1,781,409</u>
547,046	12,984	6,949,985	25,730	31,172	392,380
205,219	62,478	6,337,447	96,573	880,144	1,300,788
0	0	1,485,982	0	121,029	18,088
0	0	0	0	0	0
<u>752,265</u>	<u>75,462</u>	<u>14,773,414</u>	<u>122,303</u>	<u>1,032,345</u>	<u>1,711,256</u>
81,333	(1,298)	(1,368,088)	6,665	46,683	70,153
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
81,333	(1,298)	(1,368,088)	6,665	46,683	70,153
(150,448)	(229)	30,923	(11,598)	(82,351)	(105,136)
<u>\$ (69,115)</u>	<u>\$ (1,527)</u>	<u>\$ (1,337,165)</u>	<u>\$ (4,933)</u>	<u>\$ (35,668)</u>	<u>\$ (34,983)</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, 2018***

	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	\$ 965,995
Tuition	0	0	0	406,998
Food Service	0	0	0	497,126
Investment Earnings	0	0	0	878,055
Extracurricular Activities	0	0	0	362,465
Classroom Materials and Fees	0	0	0	1,949
State Sources	0	0	0	5,641,525
Federal Sources	2,739,470	0	10,507,999	50,121,709
Miscellaneous Revenue	0	0	0	2,026,176
<b>Total Revenue</b>	<b>2,739,470</b>	<b>0</b>	<b>10,507,999</b>	<b>60,901,998</b>
<b>Expenditures:</b>				
Current:				
Instruction	1,700,983	26	0	16,436,134
Support Services	1,071,829	8	112,967	19,408,467
Non-Instructional Services	0	0	9,746,398	26,079,048
Extracurricular Activities	0	0	0	516,803
<b>Total Expenditures</b>	<b>2,772,812</b>	<b>34</b>	<b>9,859,365</b>	<b>62,440,452</b>
Excess (Deficiency) of Revenues Over Expenditures	(33,342)	(34)	648,634	(1,538,454)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	282,096
Transfers Out	0	0	0	(174)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281,922</b>
Net Change in Fund Balances	(33,342)	(34)	648,634	(1,256,532)
<b>Fund Balances at Beginning of Year, as Restated</b>	<b>(141,826)</b>	<b>(126)</b>	<b>157,493</b>	<b>14,074,587</b>
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ (175,168)</b>	<b>\$ (160)</b>	<b>\$ 806,127</b>	<b>\$ 12,818,055</b>

**TOLEDO CITY SCHOOL DISTRICT****Combining Balance Sheet  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2018**

	Permanent Improvement	Locally Funded Initiative	Classroom Facilities	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,921,662	\$ 8,427	\$ 28,005,867	\$ 29,935,956
Cash with Fiscal Agent	100,058	0	0	100,058
Receivables:				
Taxes	4,816,352	0	0	4,816,352
Accounts	2,200	0	0	2,200
Interest	15,620	101	335,318	351,039
<b>Total Assets</b>	<b>\$ 6,855,892</b>	<b>\$ 8,528</b>	<b>\$ 28,341,185</b>	<b>\$ 35,205,605</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 475,795	\$ 0	\$ 17,877,930	\$ 18,353,725
Retainage Payable	100,058	0	0	100,058
<b>Total Liabilities</b>	<b>575,853</b>	<b>0</b>	<b>17,877,930</b>	<b>18,453,783</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	853,213	0	0	853,213
Property Tax for Next Fiscal Year	3,794,289	0	0	3,794,289
<b>Total Deferred Inflows of Resources</b>	<b>4,647,502</b>	<b>0</b>	<b>0</b>	<b>4,647,502</b>
<b>Fund Balances:</b>				
Restricted	1,632,537	8,528	10,463,255	12,104,320
<b>Total Fund Balances</b>	<b>1,632,537</b>	<b>8,528</b>	<b>10,463,255</b>	<b>12,104,320</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,855,892</b>	<b>\$ 8,528</b>	<b>\$ 28,341,185</b>	<b>\$ 35,205,605</b>

**TOLEDO CITY SCHOOL DISTRICT**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2018**

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	Permanent Improvement	Locally Funded Initiative	Classroom Facilities	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Taxes	\$ 3,118,096	\$ 0	\$ 0	\$ 3,118,096
Investment Earnings	28,341	105	348,080	376,526
State Sources	153,570	0	0	153,570
Miscellaneous Revenue	97	0	0	97
<b>Total Revenue</b>	<b>3,300,104</b>	<b>105</b>	<b>348,080</b>	<b>3,648,289</b>
<b>Expenditures:</b>				
Current:				
Supporting Services	62,959	0	0	62,959
Capital Outlay	1,225,337	0	0	1,225,337
<b>Total Expenditures</b>	<b>1,288,296</b>	<b>0</b>	<b>0</b>	<b>1,288,296</b>
Excess (Deficiency) of Revenues Over Expenditures	2,011,808	105	348,080	2,359,993
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>(379,271)</b>	<b>8,423</b>	<b>10,115,175</b>	<b>9,744,327</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,632,537</b>	<b>\$ 8,528</b>	<b>\$ 10,463,255</b>	<b>\$ 12,104,320</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, 2018***

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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>\$ 383,091,876</u>	<u>\$383,121,876</u>	<u>\$391,314,322</u>	<u>\$ 8,192,446</u>
Total Expenditures and Other Financing Uses	<u>386,368,244</u>	<u>396,641,009</u>	<u>391,097,490</u>	<u>5,543,519</u>
Net Change in Fund Balance	(3,276,368)	(13,519,133)	216,832	13,735,965
Fund Balance at Beginning of Year, as Restated	74,635,701	74,635,701	74,635,701	0
Prior Year Encumbrances	7,885,412	7,885,412	7,885,412	0
Fund Balance at End of Year	<u>\$ 79,244,745</u>	<u>\$ 69,001,980</u>	<u>\$ 82,737,945</u>	<u>\$ 13,735,965</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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,283,220</u>	<u>\$ 11,899,968</u>	<u>\$ (383,252)</u>
Total Expenditures and Other Financing Uses	<u>12,780,963</u>	<u>11,472,076</u>	<u>1,308,887</u>
Net Change in Fund Balance	(497,743)	427,892	925,635
Fund Balance at Beginning of Year, as Restated	687,635	687,635	0
Prior Year Encumbrances	<u>370,298</u>	<u>370,298</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 560,190</u>	<u>\$ 1,485,825</u>	<u>\$ 925,635</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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 650,550</u>	<u>\$ 35,804</u>	<u>\$ (614,746)</u>
Total Expenditures and Other Financing Uses	<u>708,586</u>	<u>144,743</u>	<u>563,843</u>
Net Change in Fund Balance	(58,036)	(108,939)	(50,903)
Fund Balance at Beginning of Year, as Restated	<u>572,281</u>	<u>572,281</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 514,245</u></u>	<u><u>\$ 463,342</u></u>	<u><u>\$ (50,903)</u></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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 195,594</u>	<u>\$ 27,411</u>	<u>\$ (168,183)</u>
Total Expenditures and Other Financing Uses	<u>223,906</u>	<u>54,530</u>	<u>169,376</u>
Net Change in Fund Balance	(28,312)	(27,119)	1,193
Fund Balance at Beginning of Year, as Restated	<u>84,540</u>	<u>84,540</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 56,228</u>	<u>\$ 57,421</u>	<u>\$ 1,193</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,681,839</u>	<u>\$ 1,485,249</u>	<u>\$ (196,590)</u>
Total Expenditures and Other Financing Uses	<u>1,681,839</u>	<u>1,539,830</u>	<u>142,009</u>
Net Change in Fund Balance	0	(54,581)	(54,581)
Fund Balance at Beginning of Year	445,442	445,442	0
Prior Year Encumbrances	<u>25,707</u>	<u>25,707</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 471,149</u>	<u>\$ 416,568</u>	<u>\$ (54,581)</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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 840,875</u>	<u>\$ 348,920</u>	<u>\$ (491,955)</u>
Total Expenditures and Other Financing Uses	<u>888,968</u>	<u>289,651</u>	<u>599,317</u>
Net Change in Fund Balance	(48,093)	59,269	107,362
Fund Balance at Beginning of Year	459,360	459,360	0
Prior Year Encumbrances	<u>16,535</u>	<u>16,535</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 427,802</u></u>	<u><u>\$ 535,164</u></u>	<u><u>\$ 107,362</u></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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,067,632</u>	<u>\$ 1,704,167</u>	<u>\$ (363,465)</u>
Total Expenditures and Other Financing Uses	<u>2,245,485</u>	<u>1,732,874</u>	<u>512,611</u>
Net Change in Fund Balance	(177,853)	(28,707)	149,146
Fund Balance at Beginning of Year, as Restated	422,571	422,571	0
Prior Year Encumbrances	<u>83,847</u>	<u>83,847</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 328,565</u>	<u>\$ 477,711</u>	<u>\$ 149,146</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, 2018***

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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>\$ 1,243,223</u>	<u>\$ 2,987,696</u>	<u>\$ 1,744,473</u>
Total Expenditures and Other Financing Uses	<u>8,662,724</u>	<u>6,425,586</u>	<u>2,237,138</u>
Net Change in Fund Balance	(7,419,501)	(3,437,890)	3,981,611
Fund Balance at Beginning of Year, as Restated	12,132,046	12,132,046	0
Prior Year Encumbrances	<u>832,105</u>	<u>832,105</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,544,650</u></u>	<u><u>\$ 9,526,261</u></u>	<u><u>\$ 3,981,611</u></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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,247,101</u>	<u>\$ 525,286</u>	<u>\$ (721,815)</u>
Total Expenditures and Other Financing Uses	<u>1,329,655</u>	<u>535,312</u>	<u>794,343</u>
Net Change in Fund Balance	(82,554)	(10,026)	72,528
Fund Balance at Beginning of Year	292,008	292,008	0
Prior Year Encumbrances	<u>30,534</u>	<u>30,534</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 239,988</u></u>	<u><u>\$ 312,516</u></u>	<u><u>\$ 72,528</u></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, 2018***

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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>\$ 3,272,226</u>	<u>\$ 2,747,993</u>	<u>\$ (524,233)</u>
Total Expenditures and Other Financing Uses	<u>3,034,440</u>	<u>2,608,113</u>	<u>426,327</u>
Net Change in Fund Balance	237,786	139,880	(97,906)
Fund Balance at Beginning of Year, as Restated	218,371	218,371	0
Prior Year Encumbrances	<u>107,511</u>	<u>107,511</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 563,668</u>	<u>\$ 465,762</u>	<u>\$ (97,906)</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, 2018***

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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 Balance	0	0	0
Fund Balance at Beginning of Year, as Restated	<u>29,534</u>	<u>29,534</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 29,534</u></u>	<u><u>\$ 29,534</u></u>	<u><u>\$ 0</u></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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,172,793</u>	<u>\$ 1,145,799</u>	<u>\$ (26,994)</u>
Total Expenditures and Other Financing Uses	<u>1,074,637</u>	<u>1,016,837</u>	<u>57,800</u>
Net Change in Fund Balance	98,156	128,962	30,806
Fund Balance at Beginning of Year, as Restated	(115,140)	(115,140)	0
Prior Year Encumbrances	<u>16,984</u>	<u>16,984</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 30,806</u>	<u>\$ 30,806</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, 2018***

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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>\$ 91,791</u>	<u>\$ 55,463</u>	<u>\$ (36,328)</u>
Total Expenditures and Other Financing Uses	<u>115,325</u>	<u>111,275</u>	<u>4,050</u>
Net Change in Fund Balance	(23,534)	(55,812)	(32,278)
Fund Balance at Beginning of Year	9,451	9,451	0
Prior Year Encumbrances	<u>19,034</u>	<u>19,034</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,951</u>	<u>\$ (27,327)</u>	<u>\$ (32,278)</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 56,352</u>	<u>\$ 49,850</u>	<u>\$ (6,502)</u>
Total Expenditures and Other Financing Uses	<u>68,779</u>	<u>48,863</u>	<u>19,916</u>
Net Change in Fund Balance	(12,427)	987	13,414
Fund Balance at Beginning of Year	10,344	10,344	0
Prior Year Encumbrances	<u>10,070</u>	<u>10,070</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,987</u>	<u>\$ 21,401</u>	<u>\$ 13,414</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 107,148</u>	<u>\$ 107,148</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>104,487</u>	<u>104,487</u>	<u>0</u>
Net Change in Fund Balance	2,661	2,661	0
Fund Balance at Beginning of Year	(2,902)	(2,902)	0
Prior Year Encumbrances	<u>241</u>	<u>241</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></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, 2018***

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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>\$ 281,715</u>	<u>\$ 205,103</u>	<u>\$ (76,612)</u>
Total Expenditures and Other Financing Uses	<u>239,316</u>	<u>179,229</u>	<u>60,087</u>
Net Change in Fund Balance	42,399	25,874	(16,525)
Fund Balance at Beginning of Year	(39,611)	(39,611)	0
Prior Year Encumbrances	<u>9,030</u>	<u>9,030</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,818</u>	<u>\$ (4,707)</u>	<u>\$ (16,525)</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, 2018***

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	<b>RACE TO THE TOP FUND</b>		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>(520)</u>	<u>(520)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (520)</u>	<u>\$ (520)</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,365,643</u>	<u>\$ 7,297,945</u>	<u>\$ (5,067,698)</u>
Total Expenditures and Other Financing Uses	<u>11,405,856</u>	<u>7,338,337</u>	<u>4,067,519</u>
Net Change in Fund Balance	959,787	(40,392)	(1,000,179)
Fund Balance at Beginning of Year	(466,726)	(466,726)	0
Prior Year Encumbrances	<u>136,708</u>	<u>136,708</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 629,769</u>	<u>\$ (370,410)</u>	<u>\$ (1,000,179)</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,006,633</u>	<u>\$ 743,541</u>	<u>\$ (263,092)</u>
Total Expenditures and Other Financing Uses	<u>1,053,831</u>	<u>808,481</u>	<u>245,350</u>
Net Change in Fund Balance	(47,198)	(64,940)	(17,742)
Fund Balance at Beginning of Year	36,500	36,500	0
Prior Year Encumbrances	<u>302</u>	<u>302</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (10,396)</u></u>	<u><u>\$ (28,138)</u></u>	<u><u>\$ (17,742)</u></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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 137,007</u>	<u>\$ 89,908</u>	<u>\$ (47,099)</u>
Total Expenditures and Other Financing Uses	<u>129,685</u>	<u>90,333</u>	<u>39,352</u>
Net Change in Fund Balance	7,322	(425)	(7,747)
Fund Balance at Beginning of Year	(12,414)	(12,414)	0
Prior Year Encumbrances	<u>5,092</u>	<u>5,092</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (7,747)</u>	<u>\$ (7,747)</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, 2018***

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	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 21,174,741</u>	<u>\$ 14,356,343</u>	<u>\$ (6,818,398)</u>
Total Expenditures and Other Financing Uses	<u>20,945,560</u>	<u>15,390,385</u>	<u>5,555,175</u>
Net Change in Fund Balance	229,181	(1,034,042)	(1,263,223)
Fund Balance at Beginning of Year, as Restated	(447,131)	(447,131)	0
Prior Year Encumbrances	<u>208,667</u>	<u>208,667</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (9,283)</u>	<u>\$ (1,272,506)</u>	<u>\$ (1,263,223)</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, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 167,745</u>	<u>\$ 143,666</u>	<u>\$ (24,079)</u>
Total Expenditures and Other Financing Uses	<u>166,199</u>	<u>136,184</u>	<u>30,015</u>
Net Change in Fund Balance	1,546	7,482	5,936
Fund Balance at Beginning of Year, as Restated	(10,662)	(10,662)	0
Prior Year Encumbrances	<u>1,105</u>	<u>1,105</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (8,011)</u>	<u>\$ (2,075)</u>	<u>\$ 5,936</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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,487,156</u>	<u>\$ 1,266,842</u>	<u>\$ (2,220,314)</u>
Total Expenditures and Other Financing Uses	<u>3,128,970</u>	<u>1,355,127</u>	<u>1,773,843</u>
Net Change in Fund Balance	358,186	(88,285)	(446,471)
Fund Balance at Beginning of Year, as Restated	(188,123)	(188,123)	0
Prior Year Encumbrances	<u>36,487</u>	<u>36,487</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 206,550</u>	<u>\$ (239,921)</u>	<u>\$ (446,471)</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, 2018***

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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>\$ 2,655,775</u>	<u>\$ 1,576,867</u>	<u>\$ (1,078,908)</u>
Total Expenditures and Other Financing Uses	<u>2,593,057</u>	<u>1,807,059</u>	<u>785,998</u>
Net Change in Fund Balance	62,718	(230,192)	(292,910)
Fund Balance at Beginning of Year, as Restated	(222,693)	(222,693)	0
Prior Year Encumbrances	<u>158,183</u>	<u>158,183</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1,792)</u>	<u>\$ (294,702)</u>	<u>\$ (292,910)</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)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,873,196</u>	<u>\$ 2,642,374</u>	<u>\$ (1,230,822)</u>
Total Expenditures and Other Financing Uses	<u>3,808,452</u>	<u>2,787,725</u>	<u>1,020,727</u>
Net Change in Fund Balance	64,744	(145,351)	(210,095)
Fund Balance at Beginning of Year, as Restated	(190,037)	(190,037)	0
Prior Year Encumbrances	<u>125,051</u>	<u>125,051</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (242)</u>	<u>\$ (210,337)</u>	<u>\$ (210,095)</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, 2018***

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	HEAD START FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 14,978,318</u>	<u>\$ 9,172,272</u>	<u>\$ (5,806,046)</u>
Total Expenditures and Other Financing Uses	<u>14,441,245</u>	<u>11,237,257</u>	<u>3,203,988</u>
Net Change in Fund Balance	537,073	(2,064,985)	(2,602,058)
Fund Balance at Beginning of Year, as Restated	(654,588)	(654,588)	0
Prior Year Encumbrances	<u>581,382</u>	<u>581,382</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 463,867</u>	<u>\$ (2,138,191)</u>	<u>\$ (2,602,058)</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 Debt Service Fund  
For the Fiscal Year Ended June 30, 2018***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,443,844</u>	<u>\$ 12,444,182</u>	<u>\$ 338</u>
Total Expenditures and Other Financing Uses	<u>11,683,813</u>	<u>11,609,073</u>	<u>74,740</u>
Net Change in Fund Balance	760,031	835,109	75,078
Fund Balance at Beginning of Year	<u>4,484,648</u>	<u>4,484,648</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,244,679</u></u>	<u><u>\$ 5,319,757</u></u>	<u><u>\$ 75,078</u></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, 2018***

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	PERMANENT IMPROVEMENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 3,336,377</u>	<u>\$ 3,340,933</u>	<u>\$ 4,556</u>
Total Expenditures and Other Financing Uses	<u>3,431,892</u>	<u>3,130,799</u>	<u>301,093</u>
Net Change in Fund Balance	(95,515)	210,134	305,649
Fund Balance at Beginning of Year	36,860	36,860	0
Prior Year Encumbrances	<u>280,131</u>	<u>280,131</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 221,476</u>	<u>\$ 527,125</u>	<u>\$ 305,649</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, 2018***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 90</u>	<u>\$ 88</u>	<u>\$ (2)</u>
Total Expenditures and Other Financing Uses	<u>8,339</u>	<u>0</u>	<u>8,339</u>
Net Change in Fund Balance	(8,249)	88	8,337
Fund Balance at Beginning of Year	<u>8,344</u>	<u>8,344</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 95</u></u>	<u><u>\$ 8,432</u></u>	<u><u>\$ 8,337</u></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, 2018***

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**CLASSROOM FACILITIES FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 262,200</u>	<u>\$ 291,047</u>	<u>\$ 28,847</u>
Total Expenditures and Other Financing Uses	<u>27,715,678</u>	<u>18,500,000</u>	<u>9,215,678</u>
Net Change in Fund Balance	(27,453,478)	(18,208,953)	9,244,525
Fund Balance at Beginning of Year	9,232,798	9,232,798	0
Prior Year Encumbrances	<u>18,500,000</u>	<u>18,500,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 279,320</u>	<u>\$ 9,523,845</u>	<u>\$ 9,244,525</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 Funds  
For the Fiscal Year Ended June 30, 2018***

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	ENDOWMENTS FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 19,055</u>	<u>\$ 7,714</u>	<u>\$ (11,341)</u>
Total Expenditures and Other Financing Uses	<u>22,800</u>	<u>1,163</u>	<u>21,637</u>
Net Change in Fund Balance	(3,745)	6,551	10,296
Fund Balance at Beginning of Year	<u>735,191</u>	<u>735,191</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 731,446</u>	<u>\$ 741,742</u>	<u>\$ 10,296</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.

**Payroll Liabilities Fund**

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

**Severance Liabilities Fund**

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

**TOLEDO CITY SCHOOL DISTRICT****Combining Statement of Net Position  
Internal Service Funds  
June 30, 2018**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 6,020	\$ 1,723,355	\$ 15,420,611	\$ 9,202
Receivables:				
Accounts	0	159,441	308	0
Intergovernmental	0	12,628	0	0
Interest	0	0	215,568	0
<b>Total Assets</b>	<b>6,020</b>	<b>1,895,424</b>	<b>15,636,487</b>	<b>9,202</b>
<b>Liabilities:</b>				
Accounts Payable	0	22,113	3,845,049	0
Accrued Wages and Benefits	0	0	6,310,200	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>22,113</b>	<b>10,155,249</b>	<b>0</b>
<b>Net Position:</b>				
Unrestricted	6,020	1,873,311	5,481,238	9,202
<b>Total Net Position</b>	<b>\$ 6,020</b>	<b>\$ 1,873,311</b>	<b>\$ 5,481,238</b>	<b>\$ 9,202</b>



**TOLEDO CITY SCHOOL DISTRICT**

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Workers' Compensation	Payroll Liabilites	Severance Liabilites	Total
\$ 2,931,468	\$ 0	\$ 11,352,076	\$ 31,442,732
5,572	0	0	165,321
28	0	0	12,656
29,431	0	65,073	310,072
<u>2,966,499</u>	<u>0</u>	<u>11,417,149</u>	<u>31,930,781</u>
0	0	0	3,867,162
0	0	0	6,310,200
53,949	0	0	53,949
0	28,143	0	28,143
<u>53,949</u>	<u>28,143</u>	<u>0</u>	<u>10,259,454</u>
2,912,550	(28,143)	11,417,149	21,671,327
<u>\$ 2,912,550</u>	<u>\$ (28,143)</u>	<u>\$ 11,417,149</u>	<u>\$ 21,671,327</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, 2018**

	Rotary	Intra-District Services	Health Insurance	Computer Network-Class A
<b>Operating Revenues:</b>				
Interfund Charges	\$ 0	\$ 189,995	\$ 46,980,875	\$ 0
<b>Total Operating Revenues</b>	<b>0</b>	<b>189,995</b>	<b>46,980,875</b>	<b>0</b>
<b>Operating Expenses:</b>				
Personal Services	0	0	0	0
Purchased Services	0	22,113	54,370,762	0
<b>Total Operating Expenses</b>	<b>0</b>	<b>22,113</b>	<b>54,370,762</b>	<b>0</b>
Operating Income (Loss)	0	167,882	(7,389,887)	0
<b>Nonoperating Revenue (Expenses):</b>				
Investment Earnings	0	0	235,438	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>235,438</b>	<b>0</b>
Income Before Transfers	0	167,882	(7,154,449)	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Transfers	0	0	0	0
Change in Net Position	0	167,882	(7,154,449)	0
Net Position Beginning of Year, as Restated	6,020	1,705,429	12,635,687	9,202
Net Position End of Year	<b>\$ 6,020</b>	<b>\$ 1,873,311</b>	<b>\$ 5,481,238</b>	<b>\$ 9,202</b>

**TOLEDO CITY SCHOOL DISTRICT**

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<u>Workers'</u> <u>Compensation</u>	<u>Payroll</u> <u>Liabilites</u>	<u>Severance</u> <u>Liabilites</u>	<u>Total</u>
\$ 1,385,158	\$ 0	\$ 713,710	\$ 49,269,738
<u>1,385,158</u>	<u>0</u>	<u>713,710</u>	<u>49,269,738</u>
385,562	8,190	2,780,645	3,174,397
<u>0</u>	<u>0</u>	<u>0</u>	<u>54,392,875</u>
<u>385,562</u>	<u>8,190</u>	<u>2,780,645</u>	<u>57,567,272</u>
999,596	(8,190)	(2,066,935)	(8,297,534)
34,476	0	118,065	387,979
<u>34,476</u>	<u>0</u>	<u>118,065</u>	<u>387,979</u>
1,034,072	(8,190)	(1,948,870)	(7,909,555)
0	0	13,366,819	13,366,819
<u>0</u>	<u>(13,366,819)</u>	<u>0</u>	<u>(13,366,819)</u>
<u>0</u>	<u>(13,366,819)</u>	<u>13,366,819</u>	<u>0</u>
1,034,072	(13,375,009)	11,417,949	(7,909,555)
1,878,478	13,346,866	(800)	29,580,882
<u>\$ 2,912,550</u>	<u>\$ (28,143)</u>	<u>\$ 11,417,149</u>	<u>\$ 21,671,327</u>

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2018***

	Rotary	Intra-District Services	Health Insurance	Computer Network- Class A
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Interfund Charges	\$0	\$165,020	\$46,980,875	\$0
Cash Payments to Employees for Services and Benefits	0	0	(50,623,529)	0
Net Cash Provided (Used) by Operating Activities	0	165,020	(3,642,654)	0
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	0	0	0	0
Transfers Out to Other Funds	0	0	0	0
Advances In	0	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	0
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	0	0	175,550	0
Net Cash Provided by Investing Activities	0	0	175,550	0
Net Increase (Decrease) in Cash and Cash Equivalents	0	165,020	(3,467,104)	0
Cash and Cash Equivalents at Beginning of Year, as Restated	6,020	1,558,335	18,887,715	9,202
Cash and Cash Equivalents at End of Year	\$6,020	\$1,723,355	\$15,420,611	\$9,202
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$0	\$167,882	(\$7,389,887)	\$0
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	0	8,757	0	0
Increase in Intergovernmental Receivables	0	(8,457)	0	0
Increase (Decrease) in Accounts Payable	0	(3,162)	3,285,233	0
Increase (Decrease) in Accrued Wages and Benefits	0	0	462,000	0
Increase (Decrease) in Intergovernmental Payables	0	0	0	0
Total Adjustments	0	(2,862)	3,747,233	0
Net Cash Provided (Used) by Operating Activities	\$0	\$165,020	(\$3,642,654)	\$0

During 2018 the fair value of investments decreased by \$11,558, \$1,578 and \$3,489 in the Health Insurance, Workers' Compensation and Severance Liabilities Funds, respectively.

**TOLEDO CITY SCHOOL DISTRICT**

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<u>Workers'</u> <u>Compensation</u>	<u>Payroll</u> <u>Liabilities</u>	<u>Severance</u> <u>Liabilities</u>	<u>Total</u>
\$1,385,158	\$0	\$712,910	\$49,243,963
(603,059)	(8,199)	(2,780,645)	(54,015,432)
<u>782,099</u>	<u>(8,199)</u>	<u>(2,067,735)</u>	<u>(4,771,469)</u>
0	0	13,366,819	13,366,819
0	(13,366,819)	0	(13,366,819)
0	28,143	0	28,143
<u>0</u>	<u>(13,338,676)</u>	<u>13,366,819</u>	<u>28,143</u>
23,967	0	52,992	252,509
<u>23,967</u>	<u>0</u>	<u>52,992</u>	<u>252,509</u>
806,066	(13,346,875)	11,352,076	(4,490,817)
<u>2,125,402</u>	<u>13,346,875</u>	<u>0</u>	<u>35,933,549</u>
<u>\$2,931,468</u>	<u>\$0</u>	<u>\$11,352,076</u>	<u>\$31,442,732</u>
\$999,596	(\$8,190)	(\$2,066,935)	(\$8,297,534)
0	0	0	8,757
0	0	0	(8,457)
(221,190)	0	0	3,060,881
0	(9)	(789)	461,202
<u>3,693</u>	<u>0</u>	<u>(11)</u>	<u>3,682</u>
<u>(217,497)</u>	<u>(9)</u>	<u>(800)</u>	<u>3,526,065</u>
<u>\$782,099</u>	<u>(\$8,199)</u>	<u>(\$2,067,735)</u>	<u>(\$4,771,469)</u>

***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, 2018***

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	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$160,570	\$206,589	(\$160,570)	\$206,589
Interest Receivable	3,010	3,377	(3,010)	3,377
Total Assets	<u>\$163,580</u>	<u>\$209,966</u>	<u>(\$163,580)</u>	<u>\$209,966</u>
Liabilities:				
Accounts Payable	\$1,208	\$21,915	(\$1,208)	\$21,915
Due to Students	162,372	188,051	(162,372)	188,051
Total Liabilities	<u>\$163,580</u>	<u>\$209,966</u>	<u>(\$163,580)</u>	<u>\$209,966</u>





## ***STATISTICAL TABLES***

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

### ***Contents***

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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.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

**Toledo Public School District**

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

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$319,887,466	\$295,429,243	\$356,044,033	\$391,566,146
Restricted for:				
Capital Projects	169,137,197	217,877,292	135,580,227	64,306,216
Debt Service	11,705,745	5,725,901	6,055,588	5,413,569
Permanent Funds:				
Expendable	343,688	330,522	309,119	293,603
Nonexpendable	503,291	503,291	503,291	503,291
Other Purposes	39,034,091	18,185,213	15,138,459	23,724,299
Unrestricted (Deficit)	<u>(56,323,121)</u>	<u>(39,755,783)</u>	<u>(4,891,597)</u>	<u>4,190,775</u>
Total Governmental Activities Net Position	<u>\$484,288,357</u>	<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$489,997,899</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$319,887,466	\$295,429,243	\$356,044,033	\$391,566,146
Restricted	220,724,012	242,622,219	157,586,684	94,240,978
Unrestricted (Deficit)	<u>(56,323,121)</u>	<u>(39,755,783)</u>	<u>(4,891,597)</u>	<u>4,190,775</u>
Total Primary Government Net Position	<u>\$484,288,357</u>	<u>\$498,295,679</u>	<u>\$508,739,120</u>	<u>\$489,997,899</u>

Source: District Treasurer's Office

***Toledo Public School District***

2013	2014	2015	2016	2017	2018
\$403,716,045	\$399,196,714	\$397,688,562	\$394,848,405	\$388,203,178	\$392,851,572
25,562,136	14,538,912	11,414,880	8,332,462	10,520,906	12,957,533
5,033,770	3,533,300	5,589,194	5,288,828	7,445,781	8,358,648
264,040	234,188	232,740	236,247	176,178	183,706
503,291	635,992	503,291	503,291	566,932	566,923
26,904,962	27,516,635	33,192,023	33,366,822	29,890,859	30,491,650
11,218,263	27,695,386	(319,997,488)	(303,704,237)	(294,058,282)	(234,447,974)
<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>	<u>\$138,871,818</u>	<u>\$142,745,552</u>	<u>\$210,962,058</u>
\$403,716,045	\$399,196,714	\$397,688,562	\$394,848,405	\$388,203,178	\$392,851,572
58,268,199	46,459,027	50,932,128	47,727,650	48,600,656	52,558,460
11,218,263	27,695,386	(319,997,488)	(303,704,237)	(294,058,282)	(234,447,974)
<u>\$473,202,507</u>	<u>\$473,351,127</u>	<u>\$128,623,202</u>	<u>\$138,871,818</u>	<u>\$142,745,552</u>	<u>\$210,962,058</u>

**Toledo Public School District**

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

	2009	2010	2011	2012
<b>Expenses</b>				
Governmental Activities				
Instruction	\$261,800,004	\$247,655,446	\$260,842,406	\$236,207,897
Support Services	135,291,670	132,178,983	121,820,020	114,249,054
Non-Instructional Services	26,726,017	23,329,071	25,822,082	16,957,213
Extracurricular Activities	5,471,234	5,397,381	3,563,783	2,387,172
Interest and Fiscal Charges	6,958,983	8,249,037	6,327,517	6,815,825
<i>Total Primary Government Expenses</i>	<u>\$436,247,908</u>	<u>\$416,809,918</u>	<u>\$418,375,808</u>	<u>\$376,617,161</u>
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$4,023,645	\$2,818,840	\$2,738,592	\$2,153,120
Support Services	16,187,742	11,539,081	10,155,473	8,424,558
Extracurricular Activities	2,731,369	2,467,675	1,973,018	1,457,008
Operating Grants and Contributions	102,234,262	71,728,806	74,429,919	46,905,184
Capital Grants and Contributions	0	0	0	13,271,422
<i>Total Primary     Government Program Revenues</i>	<u>125,177,018</u>	<u>88,554,402</u>	<u>89,297,002</u>	<u>72,211,292</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(311,070,890)</u>	<u>(328,255,516)</u>	<u>(329,078,806)</u>	<u>(304,405,869)</u>
<i>Total Primary     Government Net (Expense)/Revenue</i>	<u>(\$311,070,890)</u>	<u>(\$328,255,516)</u>	<u>(\$329,078,806)</u>	<u>(\$304,405,869)</u>

***Toledo Public School District***

2013	2014	2015	2016	2017	2018
\$253,504,953	\$248,414,449	\$246,372,454	\$266,665,914	\$286,130,941	\$178,701,230
113,119,827	112,950,654	114,915,707	120,830,538	140,445,126	98,513,858
18,046,982	16,218,267	18,785,625	29,007,085	30,991,650	24,282,260
2,245,368	2,759,367	3,249,709	3,175,089	3,503,091	1,487,913
7,305,050	5,379,439	6,003,602	6,222,235	4,641,812	5,184,635
<u>\$394,222,180</u>	<u>\$385,722,176</u>	<u>\$389,327,097</u>	<u>\$425,900,861</u>	<u>\$465,712,620</u>	<u>\$308,169,896</u>
\$2,868,817	\$1,972,228	\$2,516,440	\$2,336,190	\$3,278,656	\$3,125,603
7,956,396	6,920,620	7,041,992	5,810,515	7,025,108	4,779,716
1,537,986	1,597,357	1,183,810	2,197,356	2,306,953	2,423,232
49,415,641	43,841,888	64,885,961	53,962,546	46,642,415	45,139,106
957,329	1,579,317	80,091	160,716	158,017	153,570
<u>62,736,169</u>	<u>55,911,410</u>	<u>75,708,294</u>	<u>64,467,323</u>	<u>59,411,149</u>	<u>55,621,227</u>
<u>(331,486,011)</u>	<u>(329,810,766)</u>	<u>(313,618,803)</u>	<u>(361,433,538)</u>	<u>(406,301,471)</u>	<u>(252,548,669)</u>
<u>(\$331,486,011)</u>	<u>(\$329,810,766)</u>	<u>(\$313,618,803)</u>	<u>(\$361,433,538)</u>	<u>(\$406,301,471)</u>	<u>(\$252,548,669)</u>

(Continued)

**Toledo Public School District**

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

	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$93,183,415	\$91,408,483	\$95,606,344	\$74,414,156
Special Purposes	1,151,977	1,062,637	1,002,932	1,026,037
Debt Service	11,305,429	8,089,438	9,129,011	9,098,250
Capital Outlay	4,034,149	5,586,245	1,432,954	0
Grants and Entitlements not Restricted to Specific Programs	193,207,018	233,261,864	232,087,828	200,779,485
Investment Earnings	4,587,198	2,590,626	(398,979)	336,955
Miscellaneous	102,225	263,545	662,157	9,765
Sale of Capital Assets	0	0	0	0
<b>Total Primary Government</b>	<b>\$307,571,411</b>	<b>\$342,262,838</b>	<b>\$339,522,247</b>	<b>\$285,664,648</b>
<b>Change in Net Position</b>				
Governmental Activities	(\$3,499,479)	\$14,007,322	\$10,443,441	(\$18,741,221)
<b>Total Primary Government Change in Net Position</b>	<b>(\$3,499,479)</b>	<b>\$14,007,322</b>	<b>\$10,443,441</b>	<b>(\$18,741,221)</b>

Source: District Treasurer's Office

*Toledo Public School District*

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2013	2014	2015	2016	2017	2018
\$83,422,448	\$81,819,809	\$93,981,026	\$95,497,720	\$105,095,175	\$100,275,752
971,092	923,745	969,039	984,168	1,025,900	965,995
9,522,686	9,606,512	9,969,733	10,040,115	10,713,273	10,188,873
0	0	1,675,792	3,083,054	3,335,814	3,118,096
220,217,972	236,669,842	234,601,655	260,941,893	283,724,348	298,057,865
261,490	15,820	417,843	401,210	2,820,856	2,966,686
294,931	233,596	859,051	733,994	46,447	149,102
0	690,062	0	0	0	0
<u>\$314,690,619</u>	<u>\$329,959,386</u>	<u>\$342,474,139</u>	<u>\$371,682,154</u>	<u>\$406,761,813</u>	<u>\$415,722,369</u>
<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>	<u>\$10,248,616</u>	<u>\$460,342</u>	<u>\$163,173,700</u>
<u>(\$16,795,392)</u>	<u>\$148,620</u>	<u>\$28,855,336</u>	<u>\$10,248,616</u>	<u>\$460,342</u>	<u>\$163,173,700</u>

## *Toledo Public School District*

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

	2009	2010	2011	2012
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$62,902	\$65,468
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	(10,868,218)	(1,229,421)
Reserved	13,008,918	12,554,700	0	0
Unreserved	(17,195,736)	(25,259,943)	0	0
<i>Total General Fund</i>	<u>(4,186,818)</u>	<u>(12,705,243)</u>	<u>(10,805,316)</u>	<u>(1,163,953)</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	503,291	503,291
Restricted	0	0	121,037,616	86,806,823
Unassigned	0	0	(3,538,516)	(849,304)
Reserved	38,678,072	79,947,256	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	7,135,876	10,188,787	0	0
Debt Service Fund	10,920,852	4,797,338	0	0
Capital Projects Funds	67,224,903	70,492,241	0	0
Permanent Fund	341,588	326,522	0	0
<i>Total All Other Governmental Funds</i>	<u>124,301,291</u>	<u>165,752,144</u>	<u>118,002,391</u>	<u>86,460,810</u>
<i>Total Governmental Funds</i>	<u>\$120,114,473</u>	<u>\$153,046,901</u>	<u>\$107,197,075</u>	<u>\$85,296,857</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*

2013	2014	2015	2016	2017	2018
\$64,409	\$73,616	\$67,451	\$93,390	\$73,732	\$80,303
0	0	0	6,621,906	6,621,906	6,621,906
59,848	8,280,777	8,841,299	5,266,196	2,559,940	8,941,239
0	20,859,280	30,866,651	41,460,060	51,255,606	58,685,088
0	0	0	0	0	0
0	0	0	0	0	0
<u>124,257</u>	<u>29,213,673</u>	<u>39,775,401</u>	<u>53,441,552</u>	<u>60,511,184</u>	<u>74,328,536</u>
503,291	635,992	732,665	838,051	847,576	566,923
48,949,228	36,347,497	33,677,935	33,361,828	30,278,420	33,092,331
(92,975)	(744,742)	(2,977,205)	(2,500,006)	(1,270,289)	(2,130,876)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>49,359,544</u>	<u>36,238,747</u>	<u>31,433,395</u>	<u>31,699,873</u>	<u>29,855,707</u>	<u>31,528,378</u>
<u>\$49,483,801</u>	<u>\$65,452,420</u>	<u>\$71,208,796</u>	<u>\$85,141,425</u>	<u>\$90,366,891</u>	<u>\$105,856,914</u>

## *Toledo Public School District*

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

	2009	2010	2011	2012
<b>Revenues:</b>				
Taxes	\$105,699,938	\$101,918,154	\$96,848,838	\$92,962,714
Tuition	2,889,694	1,882,544	1,996,903	2,139,162
Transportation Fees	809,245	789,969	512,767	380,291
Food Services	1,664,852	1,402,139	1,053,241	753,334
Investment Earnings	4,916,848	2,458,103	(359,695)	343,334
Extracurricular Activities	1,096,809	1,114,890	875,047	487,122
Class Materials and Fees	309,764	328,486	120,999	58,356
Intermediate Sources	20,000	0	0	10,200
Intergovernmental - State	295,597,310	288,513,123	274,473,871	245,334,613
Intergovernmental - Federal	54,073,343	80,117,268	73,165,870	58,919,333
All Other Revenue	16,274,444	11,481,474	10,238,626	8,262,528
<b>Total Revenue</b>	<u>483,352,247</u>	<u>490,006,150</u>	<u>458,926,467</u>	<u>409,650,987</u>
<b>Expenditures:</b>				
Current:				
Instruction	252,993,864	251,020,566	237,995,598	221,413,444
Supporting Services	143,794,427	138,912,335	126,115,598	116,235,381
Non-Instructional Services	23,917,955	25,184,615	31,025,845	29,646,355
Extracurricular Activities	5,282,257	5,289,492	3,467,440	2,282,608
Capital Outlay	64,251,427	20,583,735	96,128,614	50,477,831
Debt Service:				
Principal Retirement	3,415,000	7,835,000	4,260,000	4,395,000
Interest and Fiscal Charges	7,229,513	8,361,259	6,446,406	7,568,120
Advance Refunding Escrow	0	0	0	0
<b>Total Expenditures</b>	<u>500,884,443</u>	<u>457,187,002</u>	<u>505,439,501</u>	<u>432,018,739</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,532,196)	32,819,148	(46,513,034)	(22,367,752)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	113,280	663,208	0
Payments to Refunding Bonds Escrow Agent	0	0	0	(59,595,899)
General Obligation Bonds Issued	31,999,995	0	0	52,555,000
Premium on Issuance of General Obligation Bonds	381,995	0	0	7,508,433
Transfers In	10,417,146	8,429,486	3,575,875	1,282,460
Transfers Out	(10,417,146)	(8,429,486)	(3,575,875)	(1,282,460)
<b>Total Other Financing Sources (Uses)</b>	<u>32,381,990</u>	<u>113,280</u>	<u>663,208</u>	<u>467,534</u>
<b>Net Change in Fund Balance</b>	<u>\$14,849,794</u>	<u>\$32,932,428</u>	<u>(\$45,849,826)</u>	<u>(\$21,900,218)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	2.51%	3.90%	2.56%	3.12%

Source: District Treasurer's Office

***Toledo Public School District***

2013	2014	2015	2016	2017	2018
\$93,893,529	\$93,007,599	\$104,065,819	\$111,475,291	\$109,515,639	\$111,974,940
2,349,810	1,968,937	2,513,804	2,333,778	3,275,085	3,123,654
528,656	502,136	585,879	572,147	563,781	536,390
769,247	669,802	546,704	600,033	614,879	497,126
241,651	31,672	410,958	395,342	2,672,290	2,847,841
526,133	501,753	606,027	621,907	602,033	643,382
68,329	49,314	71,244	59,516	58,693	36,298
0	0	0	0	0	0
221,463,606	234,244,064	243,750,709	257,825,756	280,254,805	287,498,829
48,000,565	45,483,373	48,352,824	60,319,353	49,758,604	53,437,424
8,378,570	7,065,872	7,248,198	6,882,894	7,550,755	5,712,148
<u>376,220,096</u>	<u>383,524,522</u>	<u>408,152,166</u>	<u>441,086,017</u>	<u>454,866,564</u>	<u>466,308,032</u>
221,802,330	227,264,916	239,436,363	249,302,701	261,427,111	263,642,104
116,699,988	99,596,810	117,036,455	123,683,420	139,507,314	137,994,996
20,478,826	15,485,916	27,768,558	29,294,087	29,903,470	28,209,907
2,805,310	2,668,020	3,190,583	3,171,691	3,422,932	3,528,392
38,640,728	11,940,543	3,587,138	9,966,829	1,929,622	5,565,894
4,760,000	4,805,000	4,570,000	5,180,000	5,425,000	5,524,995
6,388,271	6,031,150	6,657,267	6,832,291	5,404,941	5,861,818
0	829,866	0	0	0	0
<u>411,575,453</u>	<u>368,622,221</u>	<u>402,246,364</u>	<u>427,431,019</u>	<u>447,020,390</u>	<u>450,328,106</u>
(35,355,357)	14,902,301	5,905,802	13,654,998	7,846,174	15,979,926
0	690,062	0	0	0	0
(39,717,581)	(36,345,361)	0	(24,553,999)	0	0
34,265,000	32,335,000	0	21,920,000	0	0
4,994,882	4,386,617	0	2,911,630	0	0
1,250,851	118,904	104,697	526,756	281,039	282,270
(1,250,851)	(118,904)	(104,697)	(526,756)	(281,039)	(282,270)
<u>(457,699)</u>	<u>1,066,318</u>	<u>0</u>	<u>277,631</u>	<u>0</u>	<u>0</u>
<u>(\$35,813,056)</u>	<u>\$15,968,619</u>	<u>\$5,905,802</u>	<u>\$13,932,629</u>	<u>\$7,846,174</u>	<u>\$15,979,926</u>

2.86%

3.20%

2.85%

2.85%

2.43%

2.56%

**Toledo Public School District**

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

<b>Tax year</b>	2008	2009	2010	2011	2012
<b>Real Property</b>					
Assessed	2,980,687	2,973,109	2,667,357	2,573,582	2,188,403
Actual	8,516,249	8,494,597	7,621,020	7,353,091	6,252,580
<b>Public Utility</b>					
Assessed	138,071	97,072	107,158	114,195	122,237
Actual	138,071	97,072	107,158	114,195	122,237
<b>Tangible Personal Property</b>					
Assessed	153,551	15,315	7,407	0	0
Actual	2,456,816	153,150	74,070	0	0
<b>Total</b>					
Assessed	3,272,309	3,085,496	2,781,922	2,687,777	2,310,640
Actual	11,111,136	8,744,819	7,802,248	7,467,286	6,374,817
<b>Assessed Value as a Percentage of Actual Value</b>					
	29.45%	35.28%	35.66%	35.99%	36.25%
<b>Total Direct Tax Rate</b>					
	\$66.90	\$67.70	\$65.70	\$65.70	\$67.40

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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2013	2014	2015	2016	2017
2,164,564	2,142,644	2,105,181	2,098,746	2,088,346
6,184,469	6,121,840	6,014,803	5,996,417	5,966,703
135,775	145,063	150,900	169,527	183,121
135,775	145,063	150,900	169,527	183,121
0	0	0	0	0
0	0	0	0	0
2,300,339	2,287,707	2,256,081	2,268,273	2,271,467
6,320,244	6,266,903	6,165,703	6,165,944	6,149,824
36.40%	36.50%	36.59%	36.79%	36.94%
\$67.40	\$67.40	\$73.10	\$73.58	\$73.58

## *Toledo Public School District*

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Direct District Rates</b>					
General Fund	59.80	60.60	61.20	61.20	61.70
Permanent Improvement Fund	3.00	3.00	0.50	0.50	0.50
Bond Retirement Fund	4.10	4.10	4.00	4.00	5.20
Total	<u>66.90</u>	<u>67.70</u>	<u>65.70</u>	<u>65.70</u>	<u>67.40</u>
<b>Overlapping Rates</b>					
Townships:					
Harding	4.80	4.80	4.80	4.80	4.80
Spencer	8.00	8.00	8.00	8.00	8.00
Municipalities:					
City of Toledo	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10
Lucas County	18.17	18.17	16.17	16.17	17.77
Total	<u><u>106.37</u></u>	<u><u>107.17</u></u>	<u><u>103.17</u></u>	<u><u>103.17</u></u>	<u><u>106.47</u></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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
61.70	61.70	66.00	66.28	66.33
0.50	0.50	2.00	2.00	2.00
<u>5.20</u>	<u>5.20</u>	<u>5.10</u>	<u>5.30</u>	<u>5.25</u>
<u>67.40</u>	<u>67.40</u>	<u>73.10</u>	<u>73.58</u>	<u>73.58</u>
4.80	4.80	4.80	4.80	4.80
8.00	8.00	8.00	8.00	8.00
4.40	4.40	4.40	4.40	4.40
4.10	4.10	4.10	4.10	4.10
<u>17.77</u>	<u>17.77</u>	<u>19.77</u>	<u>19.77</u>	<u>17.37</u>
<u>106.47</u>	<u>106.47</u>	<u>114.17</u>	<u>114.65</u>	<u>112.25</u>

## *Toledo Public School District*

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

### Calendar Year 2017

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
GLP Capital LP	Casino	\$56,561	1	2.47%
One Seagate Partners	Realty	\$10,430	2	0.46%
University Residences at Westwood	Realty	\$5,377	3	0.23%
LC Country Club	Realty	\$4,871	4	0.21%
Bravo Ohio LLC	Realty	\$3,798	5	0.17%
Toledo VA Company	Health Care	\$3,558	6	0.16%
CREI Toledo	Realty	\$3,302	7	0.14%
Toledo Lucas County Port Authority	Realty	\$3,010	8	0.13%
George Eyde Family LLC	Realty	\$2,995	9	0.13%
PLT Holdings LLC	Realty	\$2,931	10	0.13%
Subtotal		96,833		4.23%
All Others		2,193,462		95.77%
Total		\$2,290,295		100.00%

### Calendar Year 2008

Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
St. Vincent Medical Center	Hospital	\$13,075	1	0.44%
One Seagate LLC	Realty	12,950	2	0.43%
Empirian	Realty	7,673	3	0.26%
Toledo Hospital/Promedica	Hospital	7,546	4	0.25%
CA New Plan Acquisition	Realty	6,959	5	0.23%
ERT Southland LLC	Realty	5,791	6	0.19%
University Residences at Westwood LL	Realty	5,558	7	0.19%
Airport Square Investment	Realty	5,110	8	0.17%
Ercelik	Realty	4,934	9	0.17%
Steeplechase Developers	Realty	4,832	10	0.16%
Subtotal		74,428		2.49%
All Others		2,906,249		97.51%
Total		\$2,980,677		100.00%

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

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



**Toledo Public School District**

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

		Calendar Year 2017		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electrical Distribution	\$93,737	1	48.70%
Columbia Gas	Utility	48,508	2	25.20%
American Transmission, Inc.	Utility	40,349	3	20.96%
	Subtotal	182,594		94.86%
	All Others	9,866		5.14%
	Total	\$192,460		100.00%

		Calendar Year 2008		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distributon	\$64,909	1	47.01%
Coulumbia Gas	Natural Gas Distribution	16,932	2	12.26%
	Subtotal	81,841		59.27%
	All Others	56,230		40.73%
	Total	\$138,071		100.00%

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

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

***Toledo Public School District***

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

<b>Collection Year</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Total Tax Levy</b> (1)	\$125,132	\$117,731	\$113,750	\$113,232
<b>Collections within the Fiscal Year of the Levy</b>				
Current Tax Collections (2)	117,843	99,431	98,171	95,804
Percent of Levy Collected	94.17%	84.46%	86.30%	84.61%
Delinquent Tax Collections (3)	<u>8,449</u>	<u>8,215</u>	<u>9,032</u>	<u>8,510</u>
Total Tax Collections	126,292	107,646	107,203	104,314
<b>Percent of Total Tax Collections To Tax Levy</b>	100.93%	91.43%	94.24%	92.12%
<b>Accumulated Outstanding Delinquent Taxes</b>	21,234	20,721	21,545	27,716
<b>Percentage of Accumulated</b>				
<b>Delinquent Taxes to Total Tax Levy</b>	16.97%	17.60%	18.94%	24.48%

(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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$112,645	\$112,645	\$113,280	\$124,828	\$124,828	\$167,619
96,711	106,675	97,016	106,906	115,564	117,131
85.85%	94.70%	85.64%	85.64%	92.58%	69.88%
<u>9,845</u>	<u>9,861</u>	<u>8,878</u>	<u>9,783</u>	<u>7,593</u>	<u>7,500</u>
106,556	116,536	105,894	116,689	123,157	124,631
94.59%	103.45%	93.48%	93.48%	98.66%	74.35%
22,089	21,103	28,898	23,882	27,105	32,854
19.61%	18.73%	25.51%	19.13%	21.71%	19.60%

**Toledo Public School District**

*Ratio of Outstanding Debt By Type  
Last Ten Years*

	2009	2010	2011	2012
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	<u>\$181,939,114</u>	<u>\$173,950,672</u>	<u>\$169,537,230</u>	<u>\$168,958,777</u>
Total Primary Government	<u>\$181,939,114</u>	<u>\$173,950,672</u>	<u>\$169,537,230</u>	<u>\$168,958,777</u>
<b>Population</b> <sup>(2)</sup>				
City of Toledo	313,619	287,208	286,038	286,208
Outstanding Debt Per Capita	\$580	\$606	\$593	\$590
<b>Income</b>				
Personal (in thousands)	10,095,709	6,887,535	5,380,089	5,383,286
Percentage of Personal Income	1.80%	2.53%	3.15%	3.14%

**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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2013	2014	2015	2016	2017	2018
<u>\$164,920,184</u>	<u>\$158,729,534</u>	<u>\$153,140,847</u>	<u>\$147,377,669</u>	<u>\$142,796,274</u>	<u>\$123,406,212</u>
<u>\$164,920,184</u>	<u>\$158,729,534</u>	<u>\$153,140,847</u>	<u>\$147,377,669</u>	<u>\$142,796,274</u>	<u>\$123,406,212</u>
284,012	282,313	281,031	279,789	278,508	276,491
\$581	\$562	\$545	\$527	\$513	\$446
4,897,787	6,743,046	9,363,110	6,834,685	6,803,393	7,808,659
3.37%	2.35%	1.64%	2.16%	2.10%	1.58%

***Toledo Public School District***

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

Year	2009	2010	2011	2012
<b>Population</b> (1)	313,619	287,208	286,038	286,208
<b>Assessed Value</b> (2)	\$3,085,496	\$2,781,922	\$2,729,775	\$2,687,777
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$181,939	\$173,951	\$169,537	\$168,959
<b>Resources Available to Pay Principal</b> (4)	\$11,526	\$5,293	\$5,193	\$4,314
<b>Net General Bonded Debt</b>	\$170,413	\$168,658	\$164,344	\$164,645
<b>Ratio of Net Bonded Debt to Assessed Actual Value</b>	5.52%	6.06%	6.02%	6.13%
<b>Net Bonded Debt per Capita</b>	\$543	\$587	\$575	\$575

**Source:**

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

*Toledo Public School District*

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2013	2014	2015	2016	2017	2018
284,012	282,313	281,031	279,789	278,508	276,491
\$2,188,403	\$2,164,564	\$2,287,708	\$2,256,081	\$2,268,273	\$2,271,466
\$164,920	\$158,729	\$153,141	\$149,377	\$142,796	\$136,109
\$3,767	\$3,669	\$4,314	\$4,196	\$5,199	\$5,855
\$161,153	\$155,060	\$148,827	\$145,181	\$137,597	\$130,254
7.36%	7.16%	6.51%	6.44%	6.07%	5.73%
\$567	\$549	\$530	\$519	\$494	\$471





***Toledo Public School District***

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
(amounts in thousands)  
June 30, 2018*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Toledo Public School District	Amount Applicable to Toledo Public School District
<b>Direct:</b>			
Toledo Public School District	\$123,406	100.00%	\$123,406
<b>Overlapping:</b>			
Lucas County	93,367	31.53%	29,439
City of Toledo	82,910	68.47%	56,768
		Subtotal	86,207
		Total	\$209,613

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Net Assessed Valuation</b>	\$3,272,309	\$3,085,496	\$2,781,922	\$2,687,777
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	294,508	277,695	250,373	241,900
Applicable District Debt Outstanding	149,805	178,389	170,555	160,070
Less: Applicable Debt Service Fund Amounts (2)	<u>(13,863)</u>	<u>(11,526)</u>	<u>(5,293)</u>	<u>(5,193)</u>
Net Indebtedness Subject to Limitation	<u>135,942</u>	<u>166,863</u>	<u>165,262</u>	<u>154,877</u>
Overall Legal Debt Margin	<u><u>\$158,566</u></u>	<u><u>\$110,832</u></u>	<u><u>\$85,111</u></u>	<u><u>\$87,023</u></u>
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	3,272	3,085	2,782	2,688
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$3,272</u></u>	<u><u>\$3,085</u></u>	<u><u>\$2,782</u></u>	<u><u>\$2,688</u></u>
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	29,451	27,769	25,037	24,190
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>\$29,451</u></u>	<u><u>\$27,769</u></u>	<u><u>\$25,037</u></u>	<u><u>\$24,190</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*

2012	2013	2014	2015	2016	2017
\$2,310,640	\$2,300,339	\$2,287,707	\$2,256,081	\$2,268,273	\$2,271,467
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
207,958	207,031	205,894	203,047	204,145	204,432
152,565	143,855	139,285	149,377	142,796	136,109
(4,314)	(3,767)	(3,669)	(4,314)	(4,196)	(5,199)
<u>148,251</u>	<u>140,088</u>	<u>135,616</u>	<u>145,063</u>	<u>138,600</u>	<u>130,910</u>
<u>\$59,707</u>	<u>\$66,943</u>	<u>\$70,278</u>	<u>\$57,984</u>	<u>\$65,545</u>	<u>\$73,522</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
2,311	2,300	2,288	2,256	2,268	2,271
0	0	0	0	0	0
<u>\$2,311</u>	<u>\$2,300</u>	<u>\$2,288</u>	<u>\$2,256</u>	<u>\$2,268</u>	<u>\$2,271</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
20,796	20,703	20,589	20,305	20,414	20,443
0	0	0	0	0	0
<u>\$20,796</u>	<u>\$20,703</u>	<u>\$20,589</u>	<u>\$20,305</u>	<u>\$20,414</u>	<u>\$20,443</u>

## *Toledo Public School District*

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

Calendar Year	2008	2009	2010	2011
<b>Population</b> (1)				
City of Toledo	313,619	313,619	287,208	286,038
Lucas County	437,901	437,901	441,815	440,005
<b>Income</b> (2) (a)				
Total Personal (in thousands)	10,298,307	10,095,709	6,887,535	5,380,089
Per Capita	32,837	32,191	23,981	18,809
<b>Unemployment Rate</b> (3)				
Federal	5.8%	9.3%	9.6%	8.9%
State	6.6%	10.2%	10.1%	8.6%
Lucas County	8.3%	12.2%	11.3%	9.7%
Fiscal Year	2009	2010	2011	2012
<b>School Enrollment</b> (4)				
Elementary School (K-5 & K-6 configuration)	13,197	13,321	13,748	11,512
Middle School (6-8 & 7-8 configuration)	4,312	3,856	3,249	4,742
High School (9-12)	7,079	6,809	6,680	6,187
Special (5)	1,204	1,209	642	31
Total	<u>25,792</u>	<u>25,195</u>	<u>24,319</u>	<u>22,472</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***

2012	2013	2014	2015	2016	2017
284,012	282,313	281,031	279,789	278,508	276,491
437,998	436,393	435,286	433,689	433,689	430,887
5,383,286	6,743,046	9,363,110	6,834,685	6,803,393	7,808,659
17,245	23,885	33,317	24,428	24,428	28,242
7.8%	7.4%	5.9%	5.1%	5.1%	4.1%
6.7%	7.4%	5.3%	5.2%	5.2%	4.9%
8.5%	8.5%	6.3%	5.0%	5.0%	4.9%
2013	2014	2015	2016	2017	2018
12,364	12,284	12,420	11,054	11,310	11,514
3,013	3,019	3,110	4,702	4,792	4,805
6,061	5,912	5,740	5,824	5,950	6,641
40	40	38	38	38	135
<u>21,478</u>	<u>21,255</u>	<u>21,308</u>	<u>21,618</u>	<u>22,090</u>	<u>23,096</u>



## *Toledo Public School District*

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

Employer	Nature of Business	Fiscal Year 2018		
		Number of Employees	Rank	Percentage of Total Employment
Promedica Health Systems	Hospital	14,465	1	4.11%
Mercy Health Partners	Hospital	8,827	2	2.51%
The University of Toledo and Medical Center	Education/Hospital	6,662	3	1.89%
Fiat Chrysler	Automotive	6,159	4	1.75%
Toledo City School District	Education	4,373	5	1.24%
Lucas County	Government	3,700	6	1.05%
The City of Toledo	Government	2,700	7	0.77%
General Motors Corp.	Automotive	1,971	8	0.56%
The Kroger Company	Retail	2,632	9	0.75%
Wal-Mart	Retail	2,215	10	0.63%
Total		53,704		15.26%
Total Employment within the District		298,100		84.74%
		<u>351,804</u>		<u>100.00%</u>

Employer	Nature of Business	Fiscal Year 2009		
		Number of Employees	Rank	Percentage of Total Employment
ProMedica Health System	Hospital	9,810	1	8.23%
University of Toledo	Education	8,608	2	7.23%
Mercy Health Partners	Hospital	6,675	3	5.60%
Lucas County	Government	3,934	4	3.30%
Toledo Public Schools	Education	3,678	5	3.09%
Kroger, Inc.	Retail Grocery	2,747	6	2.31%
City of Toledo	Government	2,745	7	2.30%
Wal-Mart	Retail Grocery	2,320	8	1.95%
State of Ohio	Government	2,286	9	1.92%
Lott Industries	Packaging Services	1,897	10	1.59%
Total		44,700		37.52%
Total Employment within the District		74,429		62.48%
		<u>119,129</u>		<u>100.00%</u>

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

**Toledo Public School District**

*School District Employees by Type  
Last Ten Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Supervisory</b>					
Instructional Administrators	45	49	42	29	29
Noninstructional Administrators	59	68	66	59	65
Principals	55	61	52	48	49
Assistant Principals	39	45	33	33	42
<b>Instruction</b>					
Classroom Teachers					
Elementary	1,051	1,249	987	976	940
Middle	324	378	321	224	223
High	540	614	524	484	477
Other	143	175	95	66	124
<b>Student Services</b>					
Guidance Counselors	60	68	63	48	47
Psychologists	28	27	22	25	25
Other Professionals (noninstructional)	19	38	17	17	17
<b>Support Services</b>					
Clerical/Secretaries	271	319	235	202	203
Tutors/Aides	324	376	313	310	334
Food Service	222	253	208	183	179
Maintenance/Grounds	304	366	299	254	251
Transportation	194	232	176	168	156
<i>Total Employees</i>	<u>3,678</u>	<u>4,318</u>	<u>3,453</u>	<u>3,126</u>	<u>3,161</u>

Source: District Treasurer's Office



*Toledo Public School District*

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<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
29	27	31	32	63
68	64	77	79	105
47	43	54	55	48
35	32	40	41	47
916	925	911	933	1,113
221	223	223	228	129
472	477	475	486	465
131	132	132	135	128
51	55	55	56	51
25	26	26	27	26
19	19	20	20	30
205	234	220	225	216
356	407	359	368	502
168	192	164	168	173
268	306	265	271	209
166	190	222	227	246
<u>3,177</u>	<u>3,352</u>	<u>3,274</u>	<u>3,351</u>	<u>3,351</u>

***Toledo Public School District***

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	2009	2010	2011	2012	2013
Enrollment	25,792	25,195	24,319	22,472	21,478
Modified Accrual Basis					
Operating Expenditures	500,884,443	457,187,002	505,439,501	432,018,739	411,575,453
Cost per Pupil	19,420	18,146	20,784	19,225	19,163
Percentage of Change	8.48%	(6.56%)	14.54%	(7.50%)	(0.32%)
Accrual Basis					
Expenses	436,247,908	416,809,918	418,375,808	376,617,161	394,222,180
Cost per Pupil	16,914	16,543	17,204	16,759	18,355
Percentage of Change	9.93%	(2.19%)	3.99%	(2.58%)	9.52%
Teaching Staff	2,058	2,116	1,927	1,750	1,764
Pupil to Teacher Ratio					
Toledo	18.0	N/A	N/A	N/A	N/A
State Average	18.6	N/A	N/A	N/A	N/A

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

N/A = Not available

***Toledo Public School District***

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2014	2015	2016	2017	2018
21,255	21,308	21,618	22,090	23,096
368,622,221	402,246,364	427,431,019	447,020,390	450,328,106
17,343 (9.50%)	18,878 8.85%	19,772 4.74%	20,236 2.35%	19,499 (3.65%)
385,722,176	389,327,097	425,900,861	465,712,620	308,169,896
18,147 (1.13%)	18,271 0.68%	19,701 7.83%	21,083 7.01%	13,343 (36.71%)
1,740	1,764	1,768	1,870	1,835
12.2 N/A	12.0 N/A	12.2 N/A	12.2 N/A	12.6 N/A

***Toledo Public School District***

*Operating Indicators by Function  
Last Ten Years*

	2009	2010	2011	2012
<b>Governmental Activities</b>				
Instruction				
Regular	21,020	20,358	19,671	19,034
Special	4,771	4,837	4,648	4,140
Support Services				
Pupils				
Enrollment	25,792	25,195	24,319	23,174
Graduates	1,267	1,303	1,272	1,075
Percent of Students with Disabilities	18.50%	19.20%	19.10%	18.00%
Percent of Students with English as Second Language	1.40%	1.50%	2.26%	1.61%
Administration				
School Attendance Rate	94.90%	94.90%	94.70%	94.30%
Fiscal Services				
Purchase Orders Processed	23,998	20,917	19,867	16,759
Checks Issued (non payroll)	26,825	27,187	15,650	19,312
Operation and Maintenance of Plant				
District Square Footage Maintained	5,588,049	5,588,049	6,263,196	5,183,088
District Square Acreage Maintained	128	128	144	144
Pupil Transportation				
Average Daily Students Transported	11,114	13,269	2,893	3,517
Average Daily Bus Fleet Miles	10,392	10,125	8,300	8,190
Number of Buses	166	160	124	120
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	14,643	15,089	14,952	18,652
Free/Reduced Price Meals Daily	13,400	13,206	13,750	17,428
Extracurricular Activities				
High School Varsity Teams	115	115	48	48

Source: District Treasurer's Office

*Toledo Public School District*

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2013	2014	2015	2016	2017	2018
18,050	17,382	17,271	17,665	18,050	17,901
3,698	3,873	4,037	3,953	4,040	5,195
21,748	21,255	21,308	21,618	22,090	23,096
1,026	922	879	1,118	1,126	1,157
20.49%	18.22%	19.15%	17.20%	17.20%	22.00%
1.88%	1.97%	1.98%	2.22%	2.22%	1.29%
94.10%	93.02%	94.00%	93.80%	93.80%	91.80%
17,424	16,043	17,481	17,827	17,840	18,552
17,232	18,460	17,707	17,375	17,340	16,004
5,183,088	5,183,088	5,183,088	4,937,327	4,937,327	4,937,327
144	144	144	147	147	147
3,327	3,025	3,589	3,948	3,948	4,241
2,783	3,224	9,048	10,358	10,358	10,842
122	115	171	147	147	148
22,939	19,061	22,172	21,702	21,750	19,399
20,692	17,155	21,263	20,780	20,850	18,696
48	48	48	48	48	48

## *Toledo Public School District*

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

Fiscal Year	2009	2010	2011	2012	2013
Minimum Salary	34,351	35,313	34,960	34,086	34,086
Maximum Salary	68,836	70,763	72,867	71,045	70,871
District Average Salary	52,735	54,568	56,585	53,613	52,143
County Average Salary	59,210	61,490	NA	41,949	41,949
State Average Salary	54,656	55,958	56,715	48,071	48,071

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

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

Fiscal Year	2009	2010	2011	2012	2013
Bachelor's Degree	933	945	824	759	789
Master's Degree	1,115	1,161	1,095	980	956
Doctorate	10	10	8	11	19
Total	2,058	2,116	1,927	1,750	1,764

Source: District Treasurer's Office

N/A - not available

*Toledo Public School District*

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2014	2015	2016	2017	2018
34,427	34,771	35,116	35,870	39,341
71,580	71,071	73,012	77,292	78,838
50,848	51,237	51,223	56,744	59,353
41,556	41,556	40,245	40,540	42,607
48,308	56,237	48,081	48,099	56,715

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2014	2015	2016	2017	2018
735	755	755	799	890
984	988	991	1,048	933
21	21	22	23	12
1,740	1,764	1,768	1,870	1,835

## *Toledo Public School District*

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

	2009	2010	2011	2012
<b>School Buildings</b>				
<b>High Schools</b>				
Number of Buildings	7	7	7	7
Square Footage	1,947,738	1,947,738	1,947,738	1,798,771
Enrollment	7,079	6,809	6,680	6,889
<b>Junior High Schools *</b>				
Number of Buildings	0	0	0	0
Square Footage	0	0	0	0
Enrollment	0	0	0	0
<b>Middle Schools *</b>				
Number of Buildings	7	7	7	0
Square Footage	622,321	622,321	622,321	0
Enrollment	4,312	3,856	3,249	0
<b>Elementary Schools</b>				
Number of Buildings	37	37	37	42
Square Footage	2,453,562	2,453,562	2,453,562	2,530,620
Enrollment	13,196	13,321	13,748	15,685
<b>Special Schools</b>				
Number of Buildings	8	8	8	8
Square Footage	358,143	358,143	358,143	358,143
Enrollment	1,204	1,209	642	600
<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	115,981	115,981	115,981	115,981

Source: District Treasurer's Office

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



*Toledo Public School District*

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2013	2014	2015	2016	2017	2018
7	7	7	7	7	7
1,798,771	1,798,771	1,798,771	1,798,771	1,798,771	1,798,771
6,187	5,783	5,712	6,058	5,952	6,641
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
42	42	42	42	42	42
2,530,620	2,530,620	2,530,620	2,530,620	2,530,620	2,530,620
14,691	14,872	14,996	14,960	15,089	16,319
8	8	8	8	8	8
358,143	358,143	358,143	358,143	358,143	358,143
600	600	600	600	577	135
79,354	79,354	79,354	122,862	122,862	122,862
10,950	10,950	10,590	10,950	10,950	10,950
115,981	115,981	115,981	115,981	115,981	115,981

## *Toledo Public School District*

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

	2009	2010	2011	2012
<b>Governmental Activities</b>				
Instruction				
Land and Improvements	\$20,918,762	\$20,918,761	\$20,918,761	\$21,444,762
Buildings and Improvements	392,702,165	452,882,180	480,007,471	590,026,000
Machinery and Equipment	2,226,144	2,772,922	2,954,554	3,245,394
Vehicles	421,335	421,335	421,335	465,344
Construction In Progress	75,436,367	41,441,727	94,921,281	10,865,779
Administration				
Land and Improvements	207,367	207,367	207,367	207,367
Buildings and Improvements	16,073,559	9,609,275	10,963,164	10,963,164
Machinery and Equipment	4,181,127	4,382,103	4,416,260	4,482,758
Vehicles	0	28,631	157,931	157,931
Operations and Maintenance of Plant				
Land and Improvements	411,952	411,952	411,952	411,952
Buildings and Improvements	1,502,625	1,502,625	1,504,498	1,504,498
Machinery and Equipment	2,017,143	2,031,520	2,109,652	2,109,652
Vehicles	1,790,269	1,816,428	1,488,754	1,143,127
Transportation Services				
Land and Improvements	584,422	584,422	584,422	58,422
Buildings and Improvements	207,077	207,077	207,077	207,077
Machinery and Equipment	54,943	54,943	54,943	54,943
Vehicles	8,551,578	8,710,085	8,303,498	8,561,106
Non-Instructional Activities				
Land and Improvements	127,175	127,175	127,175	127,175
Buildings and Improvements	4,046,820	4,046,820	4,046,820	4,046,820
Machinery and Equipment	1,176,061	1,069,348	981,930	981,930
Extracurricular Activities				
Land and Improvements	140,221	140,221	140,221	140,221
Buildings and Improvements	3,199,910	3,199,910	3,199,910	3,199,910
Machinery and Equipment	284,226	284,226	284,226	284,226

Source: District Treasurer's Office

*Toledo Public School District*

2013	2014	2015	2016	2017	2018
\$21,444,762	\$21,484,812	\$21,588,880	\$21,478,034	\$21,478,034	\$21,478,034
612,986,614	616,457,334	623,266,182	622,277,716	622,277,716	627,744,568
3,571,105	4,128,195	3,748,327	8,996,315	10,734,487	12,379,833
522,526	522,526	372,411	891,887	1,250,539	1,250,539
339,735	0	0	0	0	0
207,367	207,367	207,367	208,853	208,853	208,853
10,963,164	10,963,164	10,963,164	11,041,736	11,041,736	11,041,736
4,482,758	4,482,758	5,011,068	4,514,886	4,514,886	4,514,886
157,931	157,931	0	159,063	159,063	159,063
411,952	411,952	411,952	414,904	414,904	414,904
1,504,498	1,504,498	1,504,498	1,515,281	1,515,281	3,754,595
2,109,652	2,109,652	2,420,467	2,124,772	2,124,772	2,849,397
1,476,022	1,476,022	1,452,013	1,486,601	1,486,601	1,486,601
58,422	58,422	58,422	58,841	58,841	58,841
207,077	207,077	207,077	208,561	208,561	208,561
54,943	54,943	54,943	55,337	55,337	55,337
8,933,772	8,988,924	10,580,116	10,321,508	10,321,508	11,480,871
127,175	127,715	127,715	128,630	128,630	128,630
4,046,820	4,046,820	3,014,175	4,075,823	4,075,823	4,075,823
981,930	981,930	1,055,912	988,967	988,967	2,926,885
140,221	140,221	140,221	141,226	141,226	141,227
3,199,910	3,199,910	2,507,710	3,222,844	3,222,844	3,408,146
284,226	284,226	357,100	286,263	286,263	294,180

***Toledo Public School District***

*Educational and Operating Statistics  
Last Ten Years*

	2009	2010	2011	2012	2013
<b>Cost per Student (ODE)</b>					
Toledo	12,008	13,544	13,859	12,471	N/A
Ohio (Average)	10,184	10,512	10,571	10,508	10,508
<b>Attendance Rate</b>					
Toledo	94.90%	N/A	94.70%	94.30%	N/A
Ohio (Average)	94.30%	94.30%	94.50%	94.50%	94.20%
<b>Graduation Rate</b>					
Toledo	N/A	N/A	80.50%	N/A	N/A
Ohio (Average)	84.60%	84.60%	84.30%	81.30%	81.30%

**Source:**

District's Student Records and Ohio Department of Education

N/A = Not available

*Toledo Public School District*

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2014	2015	2016	2017	2018
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
93.02%	96.10%	93.80%	94.80%	91.80%
93.00%	92.40%	92.80%	92.80%	93.64%
64.50%	64.50%	70.30%	72.00%	71.40%
82.20%	82.40%	83.20%	83.20%	84.10%



OHIO AUDITOR OF STATE  
**KEITH FABER**



**TOLEDO CITY SCHOOL DISTRICT**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 23, 2019**