

Toledo City School District

Five Year Forecast Financial Report

November, 2020

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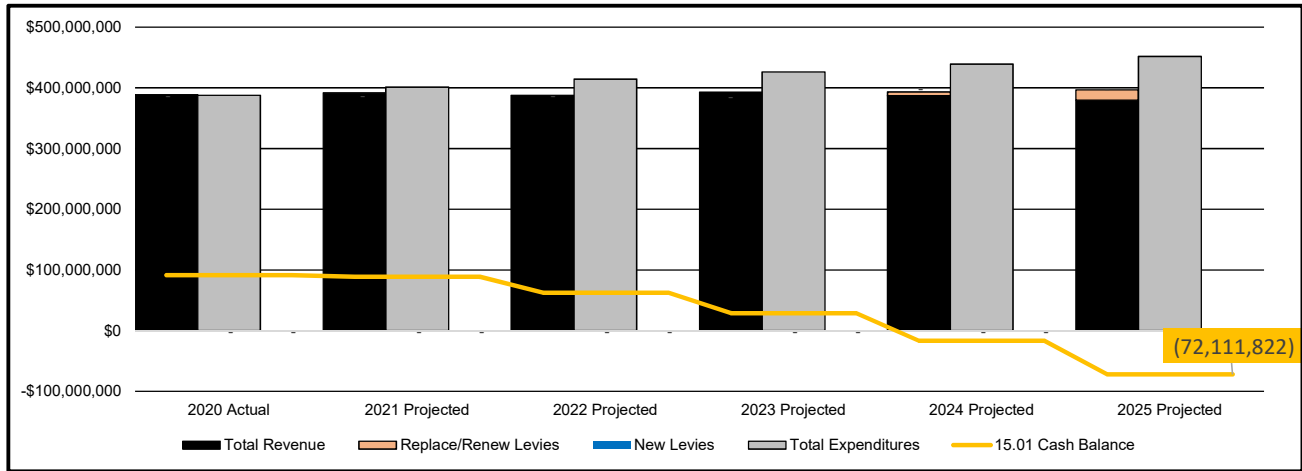
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	106,948,389	97,137,112	70,863,743	37,231,536	(8,441,455)
+ Revenue	391,618,613	387,946,362	392,685,988	386,859,688	379,589,359
+ Proposed Renew/Replacement Levies	-	-	-	6,326,062	17,092,622
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(401,429,891)	(414,219,730)	(426,318,196)	(438,858,741)	(451,852,349)
= Revenue Surplus or Deficit	(9,811,277)	(26,273,368)	(33,632,208)	(45,672,991)	(55,170,367)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	97,137,112	70,863,743	37,231,536	(8,441,455)	(63,611,822)

Analysis Without Renewal Levies Included:

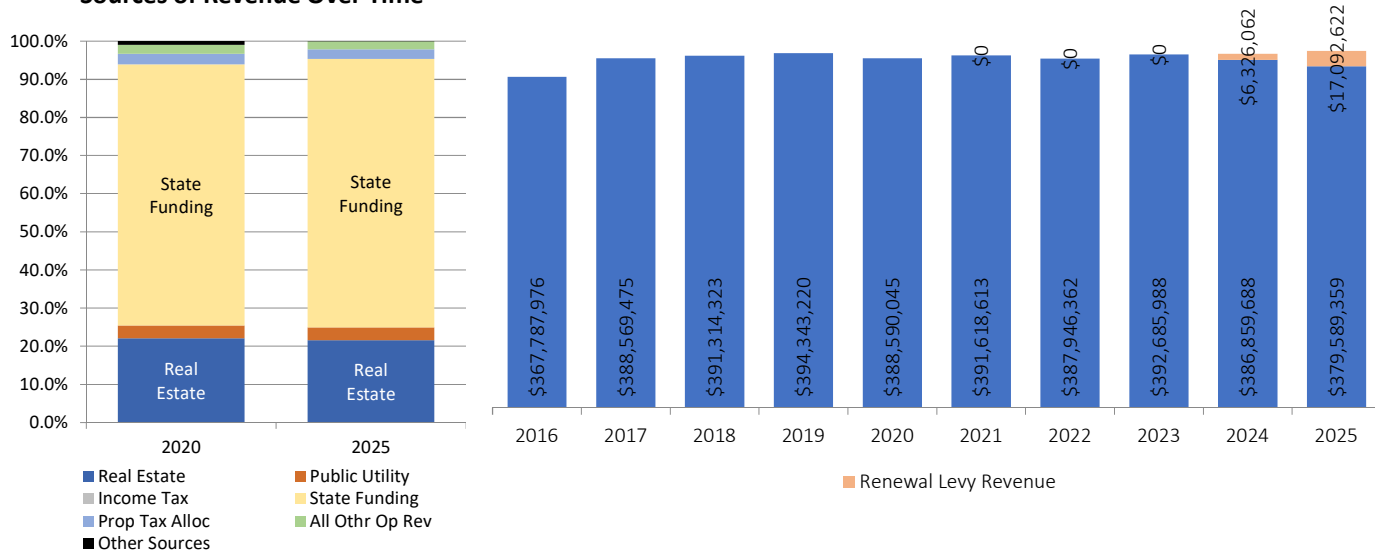
Revenue Surplus or Deficit w/o Levies	(9,811,277)	(26,273,368)	(33,632,208)	(51,999,053)	(72,262,989)
Ending Balance w/o Levies	97,137,112	70,863,743	37,231,536	(14,767,517)	(87,030,506)

In FY 2021 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$9,811,277 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$72,262,989. The district would need to cut its FY 2025 projected expenses by 15.99% in order to balance its budget without additional revenue.

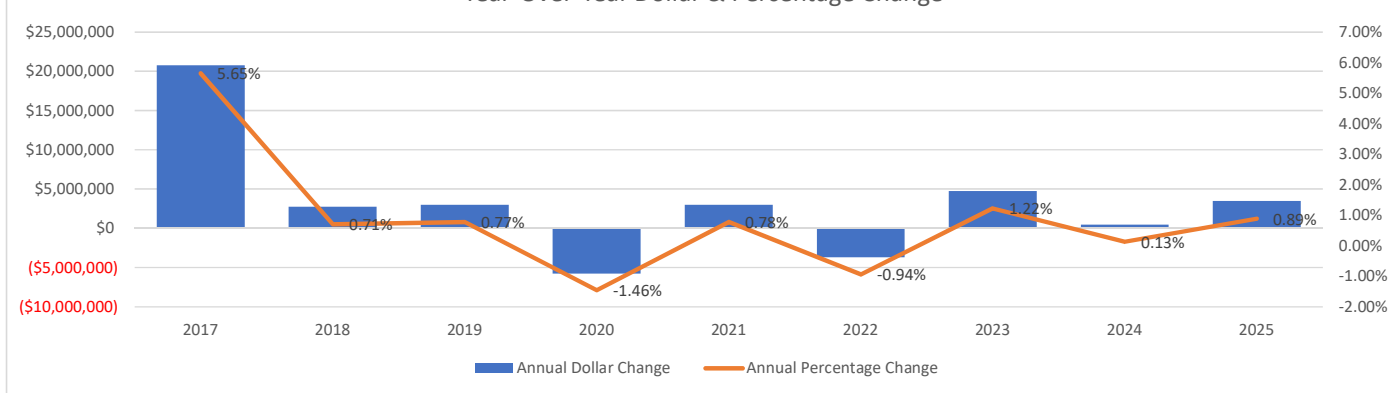
The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



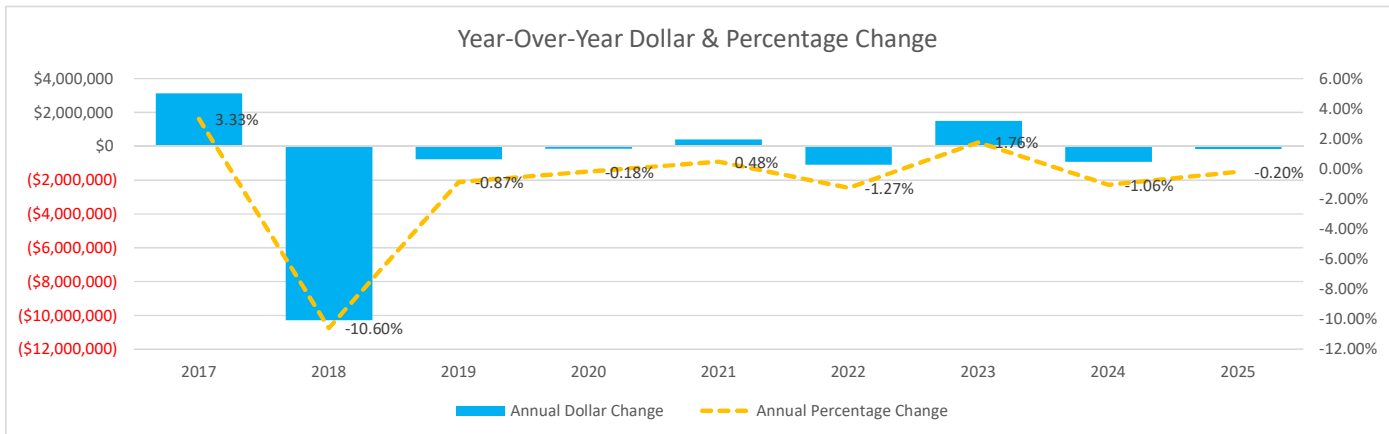
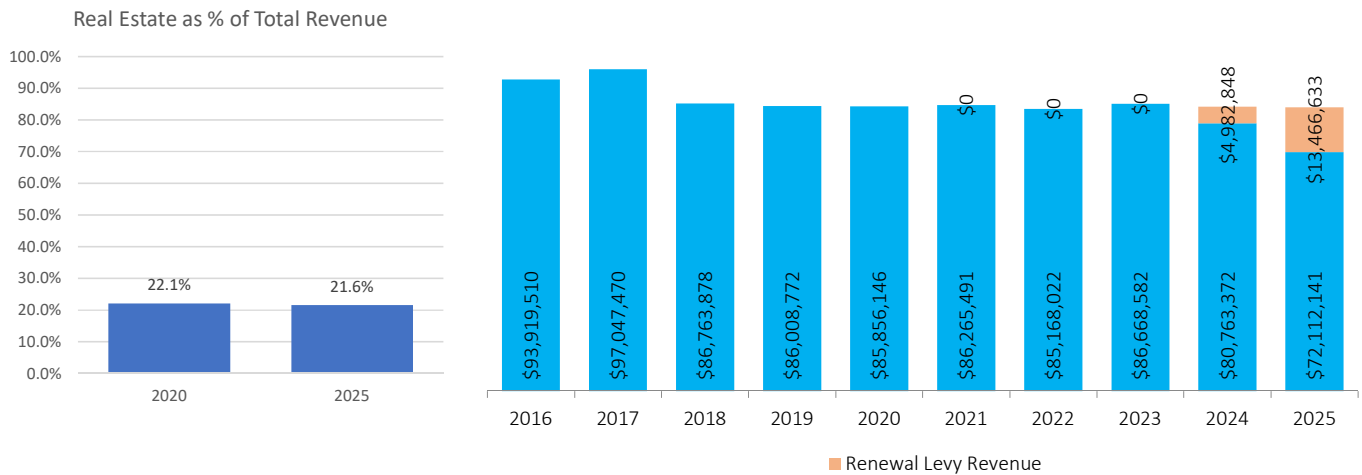
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	(\$3,730,441)	(\$55,474)	\$3,674,967	Total revenue increased 0.01% or \$6,856 annually during the past five years and is projected to increase 0.42% or \$1,618,387 annually through FY2025. Public Utility has the most projected average annual variance compared to the historical average at -\$4,270,414
Public Utility	\$4,320,118	\$49,704	(\$4,270,414)	
Income Tax	\$0	\$0	\$0	
State Funding	\$1,875,027	\$2,615,070	\$740,043	
Prop Tax Alloc	(\$260,778)	(\$132,115)	\$128,663	
All Othr Op Rev	(\$479,953)	(\$129,044)	\$350,909	
Other Sources	(\$1,717,117)	(\$729,753)	\$987,364	
Total Average Annual Change	\$6,856 0.01%	\$1,618,387 0.42%	\$1,611,531 0.41%	

Note: Expenditure average annual change is projected to be > \$12,799,784 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



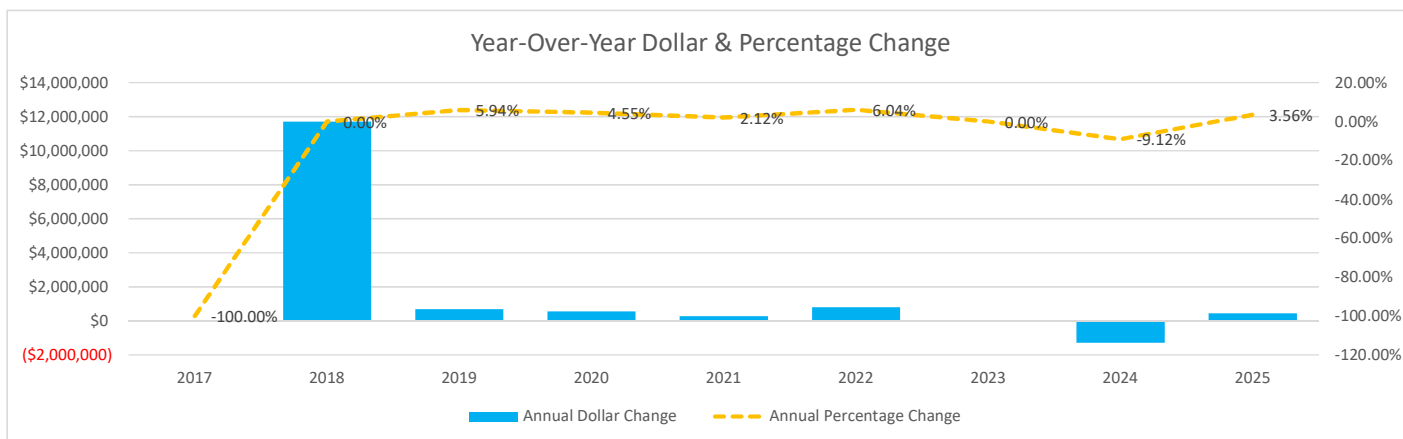
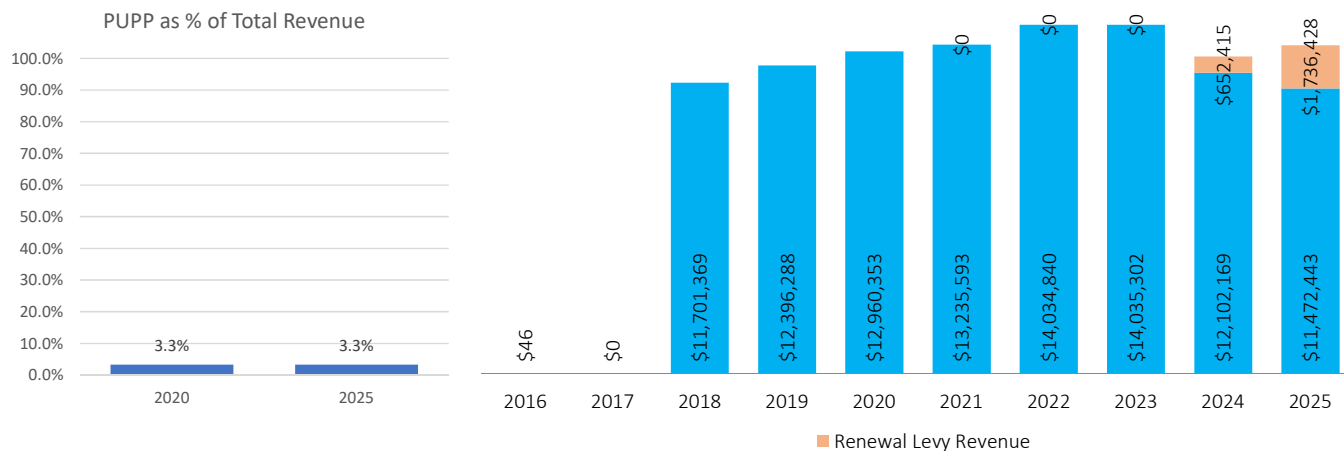
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2019	2,178,495,150	5,501,580	40.11	-	58.54	-	98.0%
2020	2,165,183,324	(13,311,826)	39.81	(0.30)	58.13	(0.41)	94.9%
2021	2,191,578,225	26,394,901	39.11	(0.69)	58.27	0.14	96.9%
2022	2,178,266,399	(13,311,826)	39.28	0.17	58.40	0.13	96.9%
2023	2,164,954,573	(13,311,826)	39.45	0.17	58.52	0.13	96.9%
2024	2,191,349,474	26,394,901	38.71	(0.74)	58.59	0.07	96.9%

Real estate property tax revenue accounts for 22.09% of total revenue. Class I or residential/agricultural taxes make up approximately 54.32% of the real estate property tax revenue. The Class I tax rate is 39.81 mills in tax year 2020. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 96.5% annually through tax year 2024. The revenue changed at an average annual historical rate of -3.88% and is projected to change at an average annual rate of -0.06% through FY 2025.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



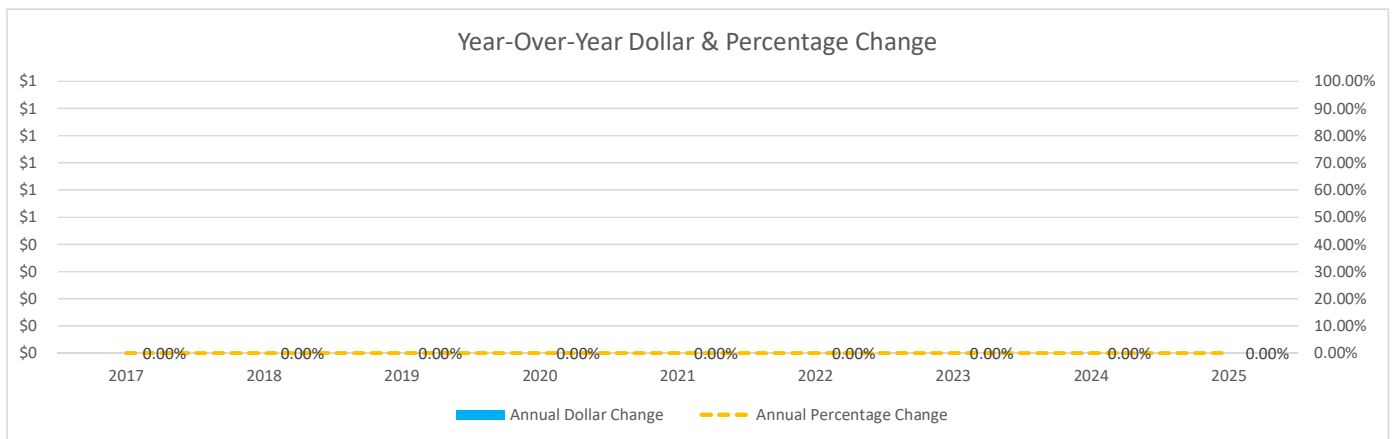
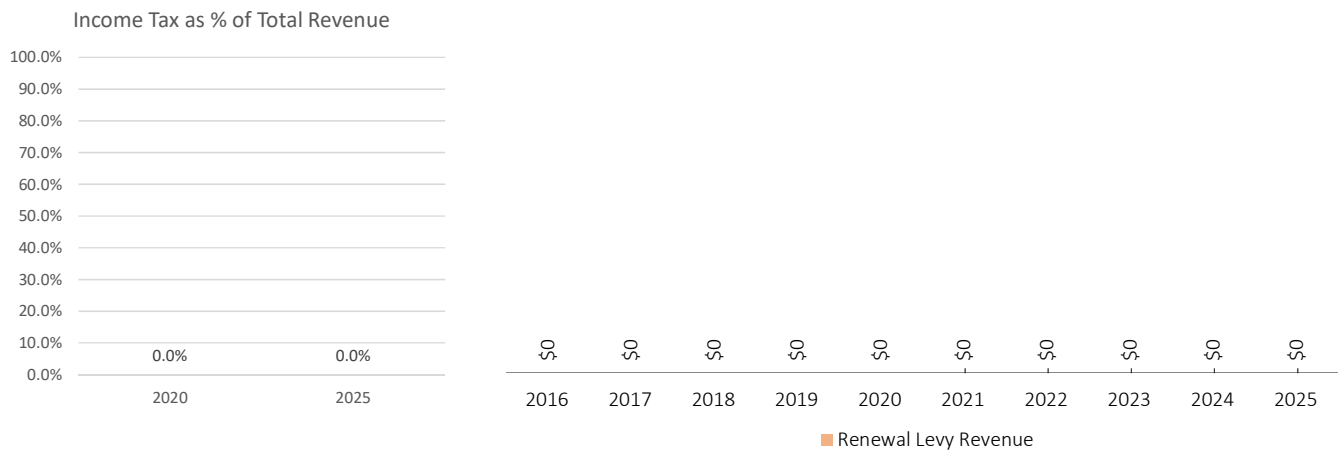
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	200,743,130	9,761,620	66.09	(0.04)	100.0%
2020	200,743,130	-	65.78	(0.31)	100.0%
2021	200,743,130	-	65.76	(0.01)	100.0%
2022	200,743,130	-	65.80	0.04	100.0%
2023	200,743,130	-	65.84	0.04	100.0%
2024	200,743,130	-	65.76	(0.07)	100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 3.34% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 65.78 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$4,320,118 and is projected to change at an average annual dollar amount of \$49,704 through FY 2025.

*Projected % trends include renewal levies

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

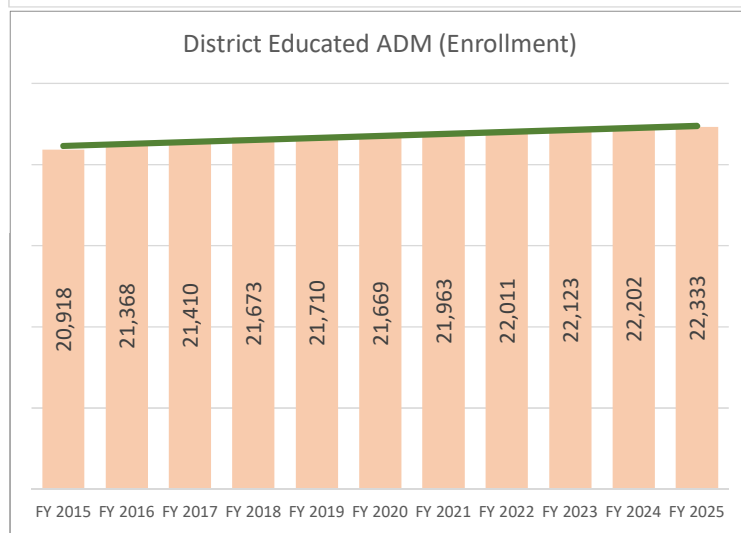
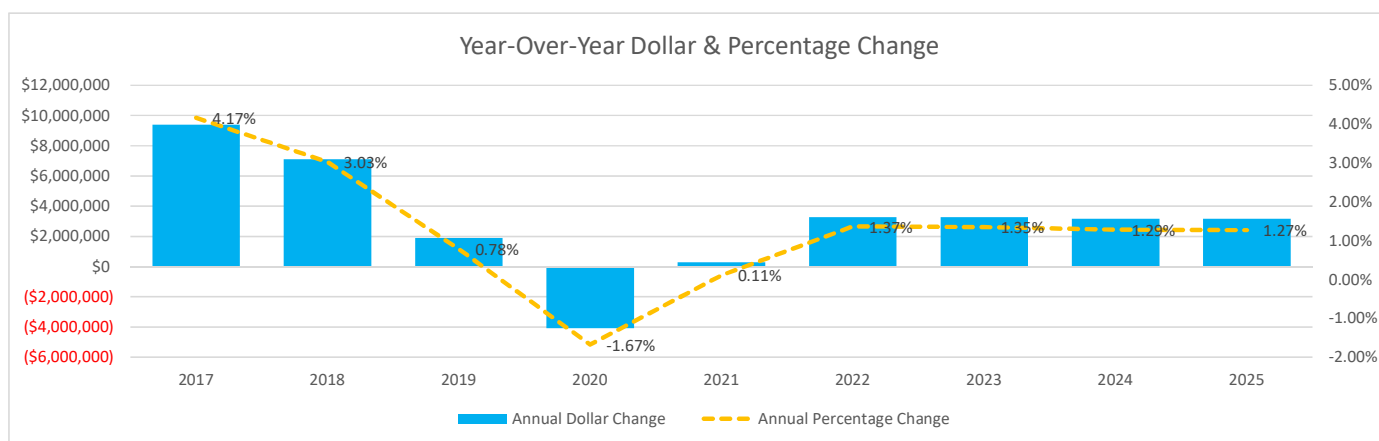
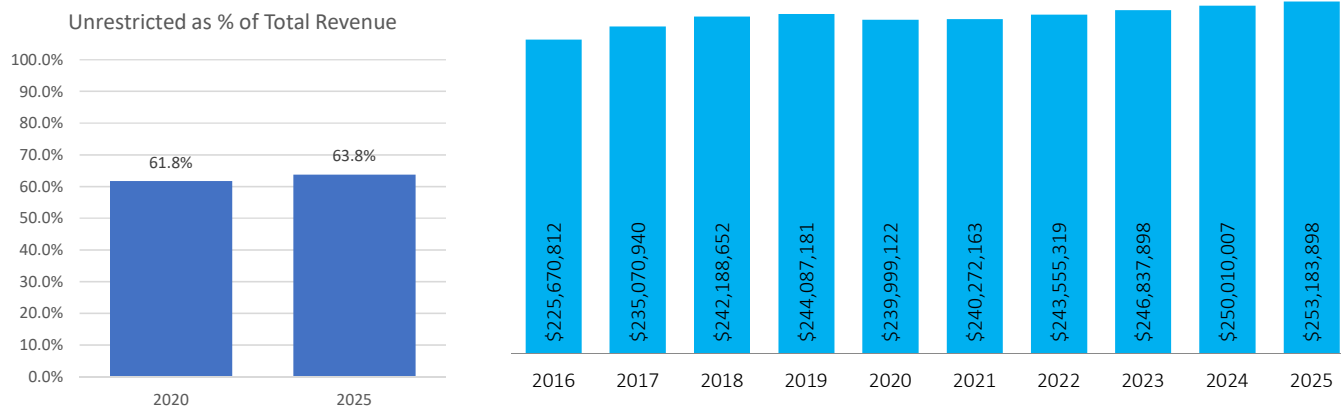


The district does not have an income tax levy.

*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

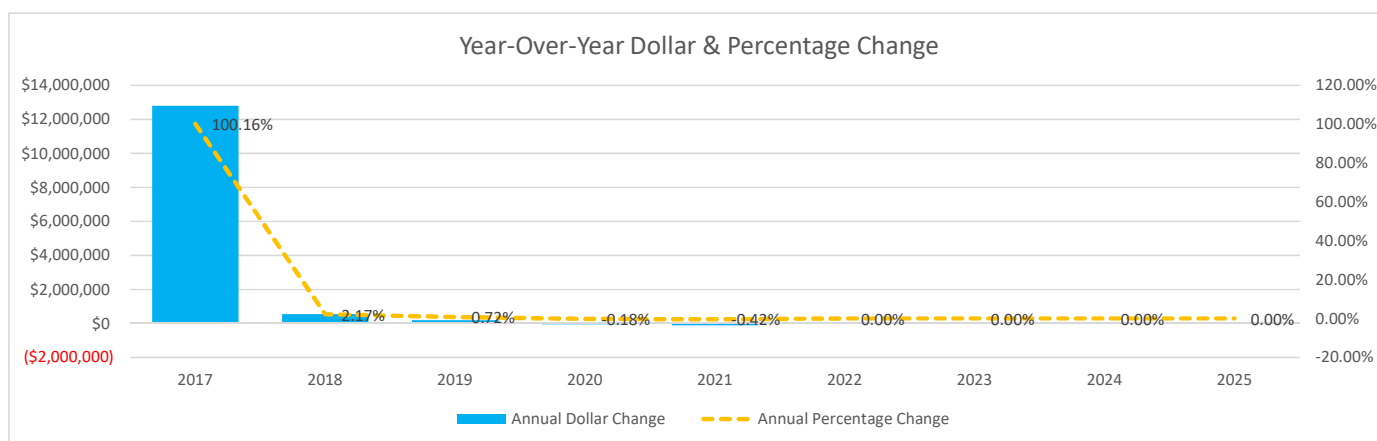
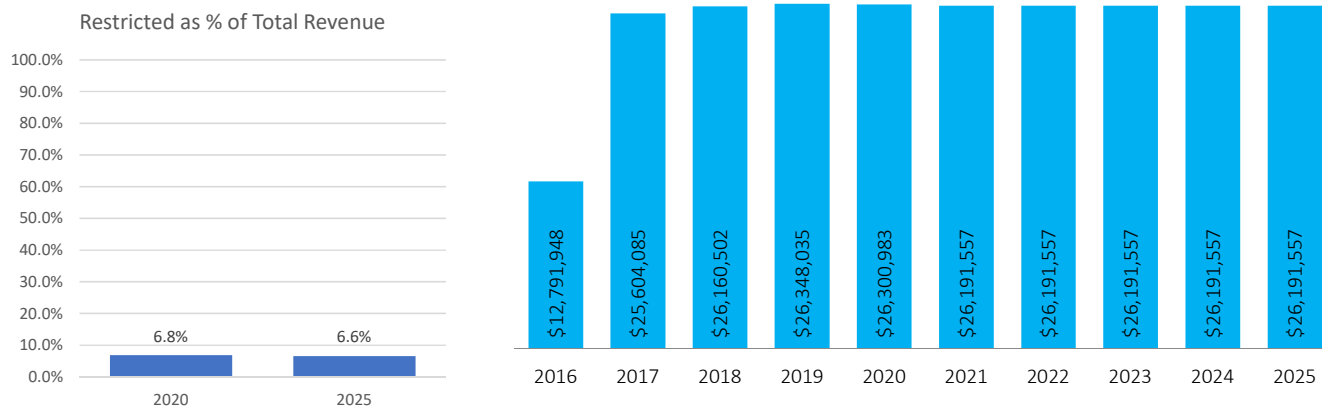
Funds received through the State Foundation Program with no restriction.



The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2021. In addition to its FY 2021 base funding amount of \$238,451,615 the district calculated FY 2021 categorical funding such as spec. ed., preschool, casino of \$4,641,550. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 1.32%. Note: Wellness funding is not included in these calculations.

1.040 & 1.045 - Restricted Grants-in-Aid

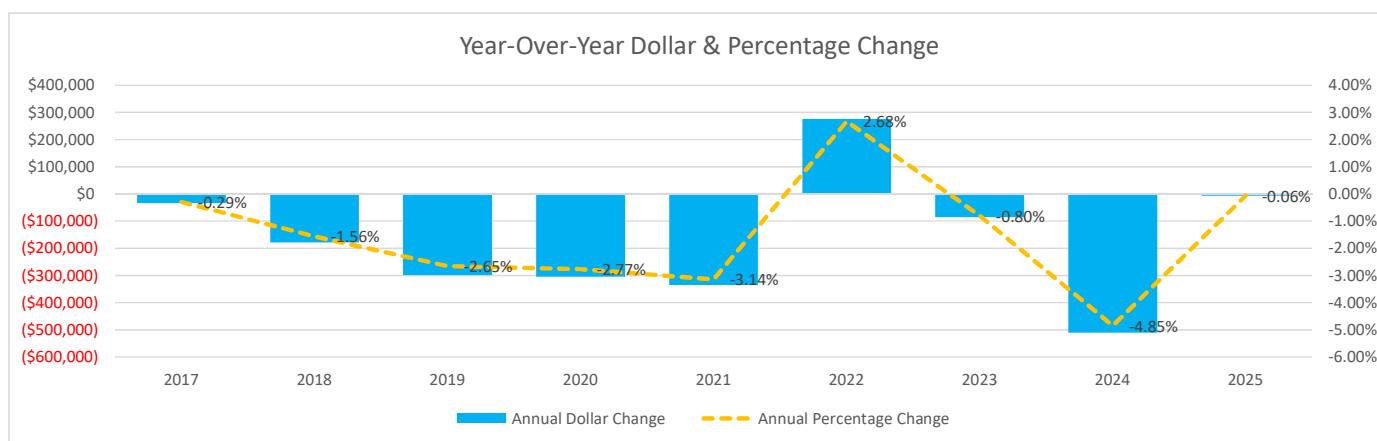
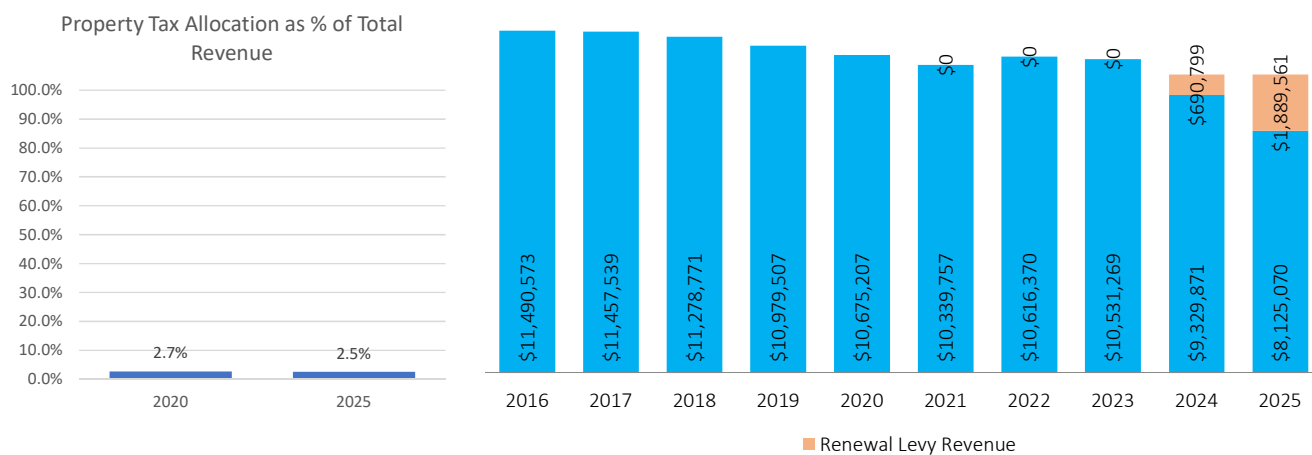
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$232,299 and is projected to change annually on average by -\$21,885. Restricted funds represent 6.77% of total revenue.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

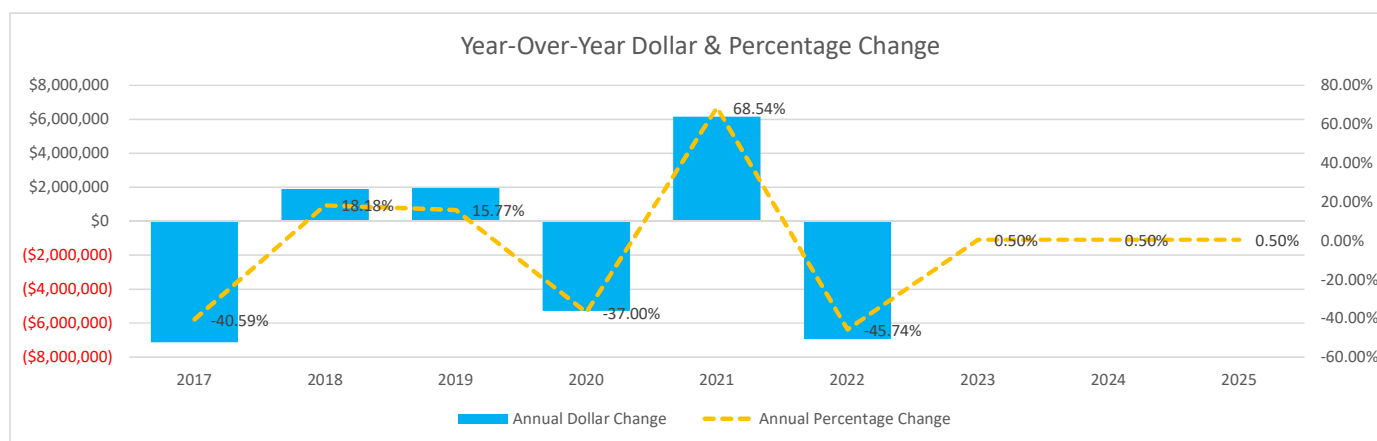
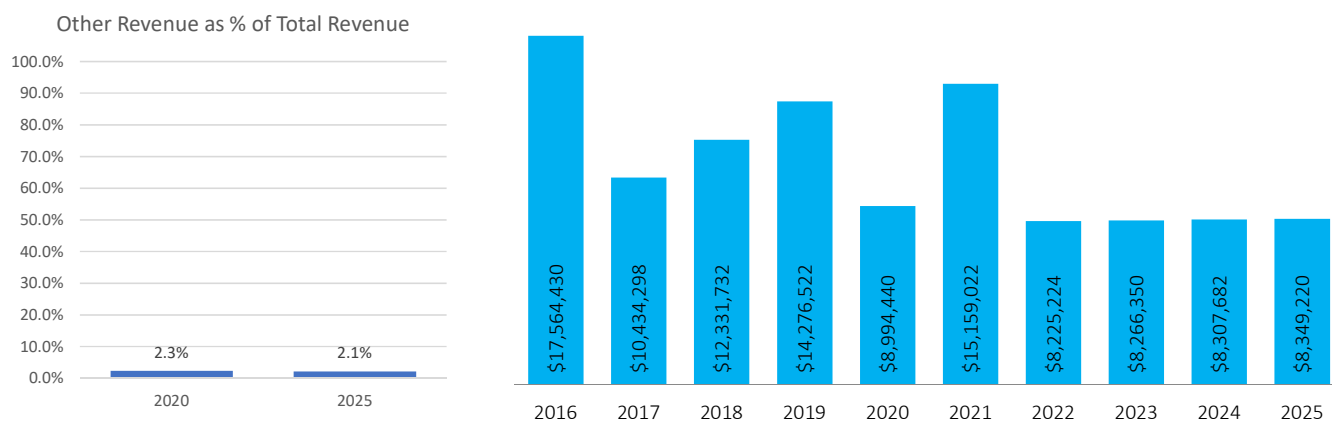


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 10.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 6.5% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

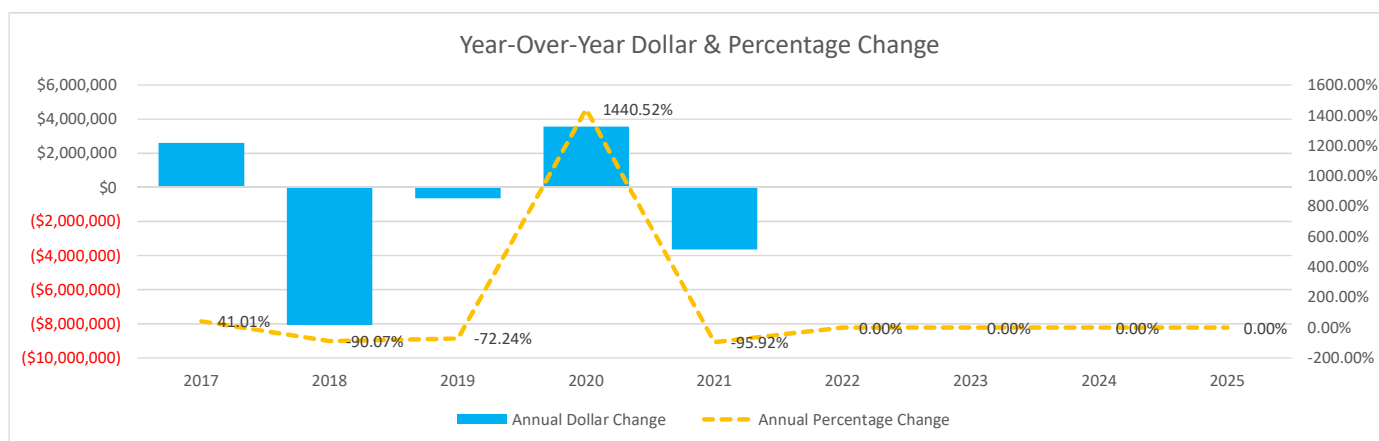
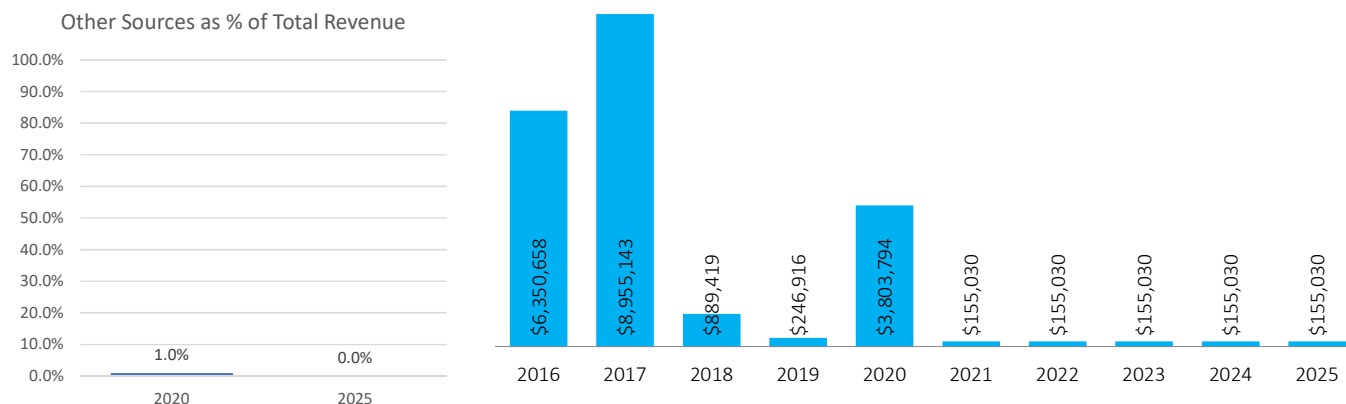
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$479,953. The projected average annual change is -\$129,044 through FY 2025.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

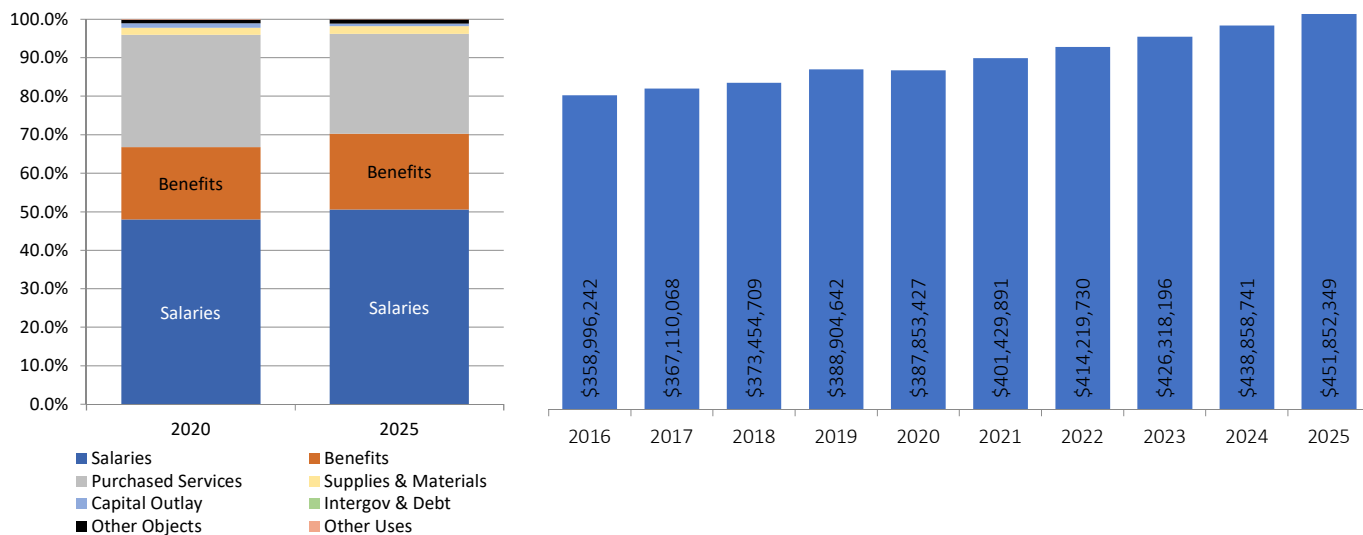


	2020	FORECASTED				
	2020	2021	2022	2023	2024	2025
Transfers In	1,168,448	-	-	-	-	-
Advances In	34,000	55,000	55,000	55,000	55,000	55,000
All Other Financing Sources	2,601,346	100,030	100,030	100,030	100,030	100,030

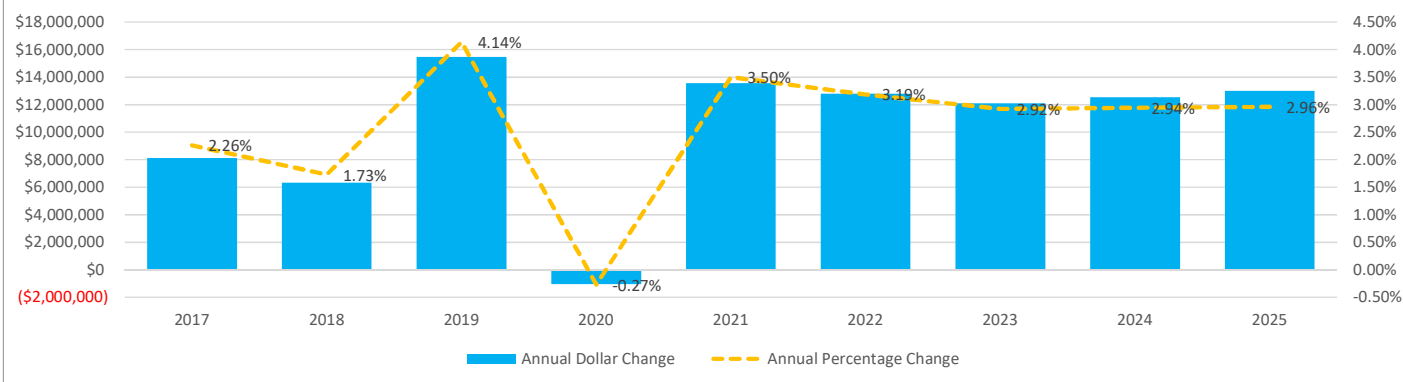
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$34,000 as advances-in and is projecting advances of \$55,000 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$100,030 in FY 2021 and average \$100,030 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



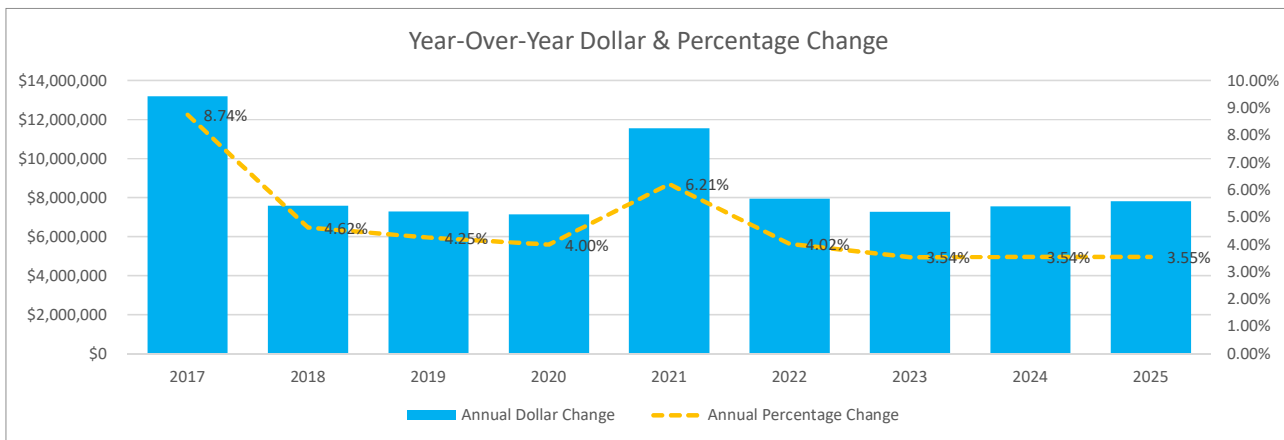
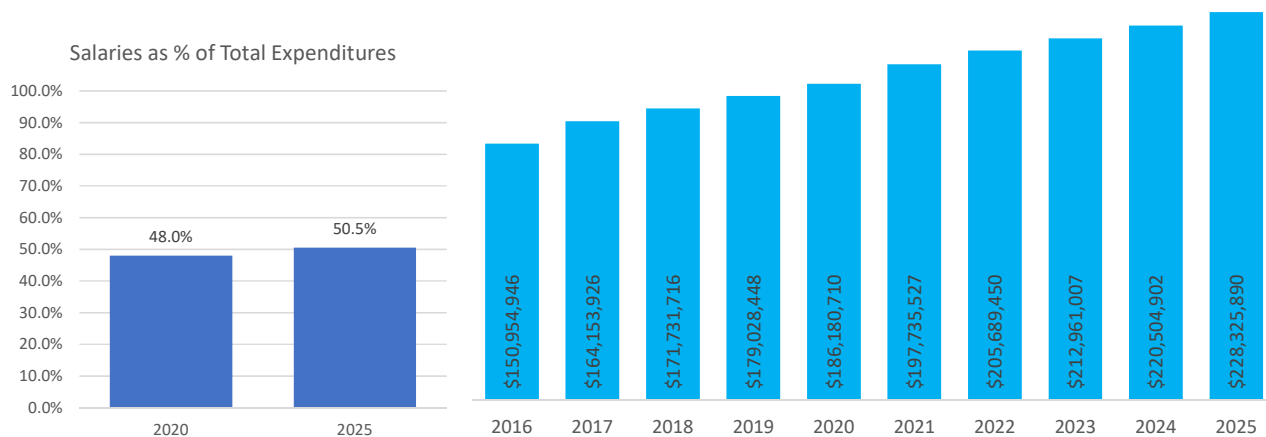
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.86% or \$6,914,453 annually during the past five years and is projected to increase 3.30% or \$12,799,784 annually through FY2025. Benefits has the largest projected average annual variance compared to the historical average at \$3,772,881.
Salaries	\$7,342,261	\$8,429,036	\$1,086,774	
Benefits	(\$545,262)	\$3,227,619	\$3,772,881	
Purchased Services	(\$391,152)	\$851,319	\$1,242,471	
Supplies & Materials	(\$69,677)	\$336,369	\$406,045	
Capital Outlay	\$850,619	(\$248,874)	(\$1,099,493)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	(\$81,607)	\$224,542	\$306,150	
Other Uses	(\$190,730)	(\$20,226)	\$170,503	
Total Average Annual Change	\$6,914,453 1.86%	\$12,799,784 3.30%	\$5,885,332 1.44%	

Note: Expenditure average annual change is projected to be > \$12,799,784 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

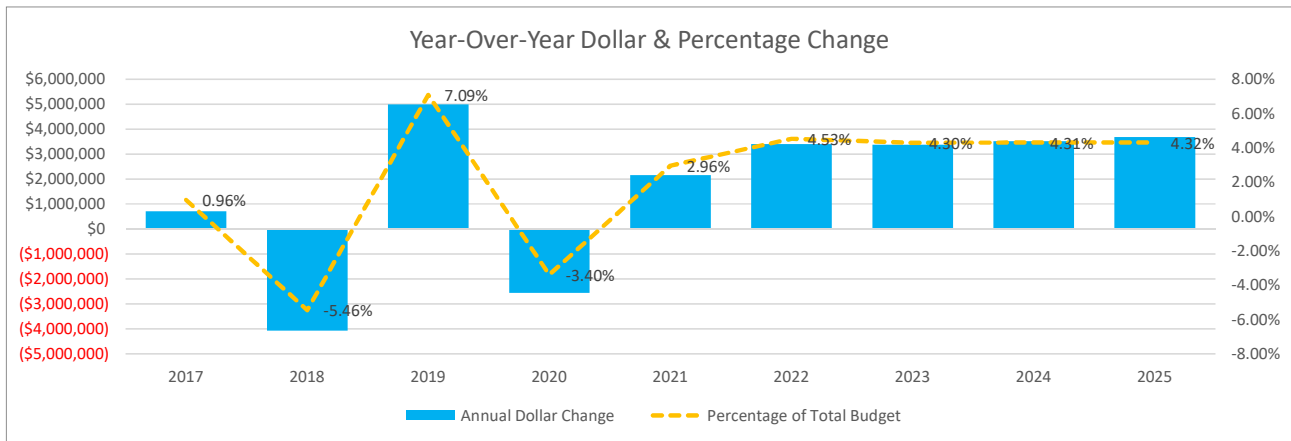
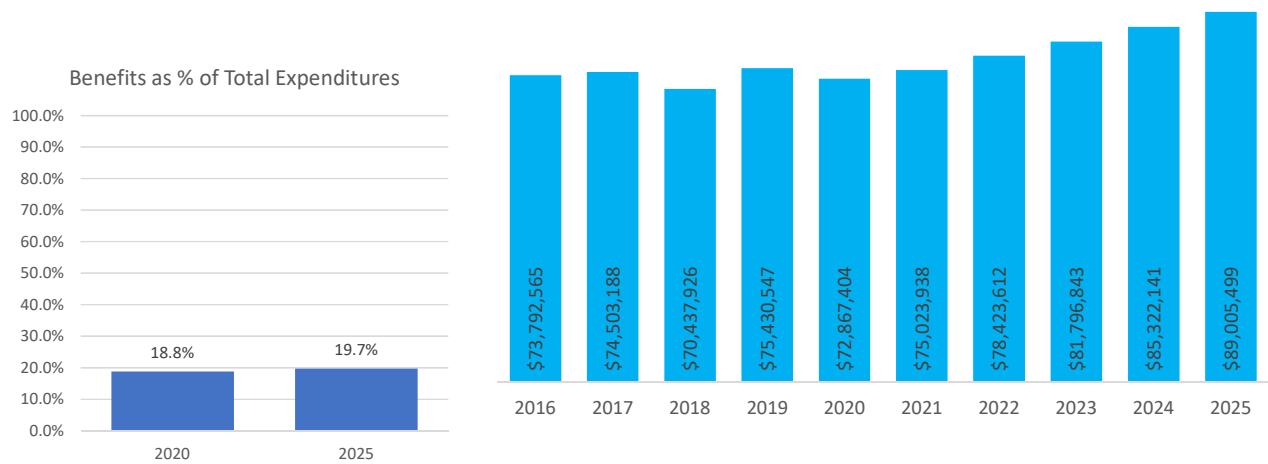
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 48.00% of total expenditures and increased at a historical average annual rate of 4.29% or \$7,342,261. This category of expenditure is projected to grow at an average annual rate of 4.17% or \$8,429,036 through FY 2025. The projected average annual rate of change is -0.12% less than the five year historical annual average.

3.020 - Employees' Benefits

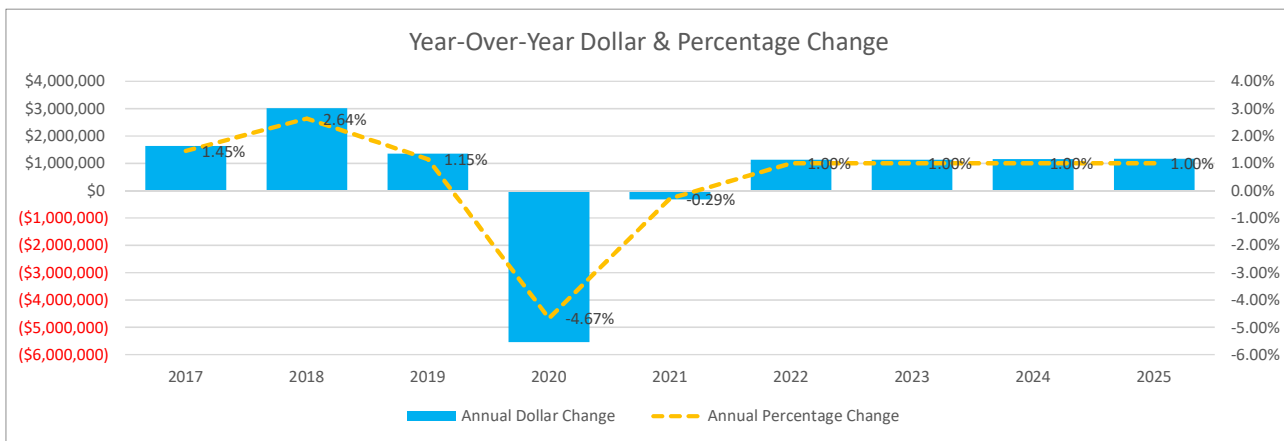
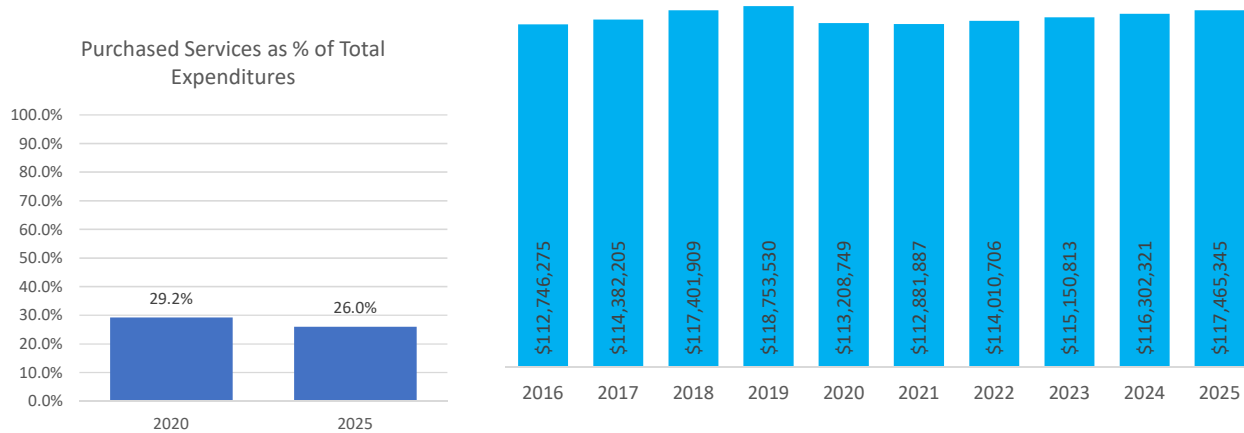
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 18.79% of total expenditures and decreased at a historical average annual rate of -0.59%. This category of expenditure is projected to grow at an annual average rate of 4.08% through FY 2025. The projected average annual rate of change is 4.67% more than the five year historical annual average.

3.030 - Purchased Services

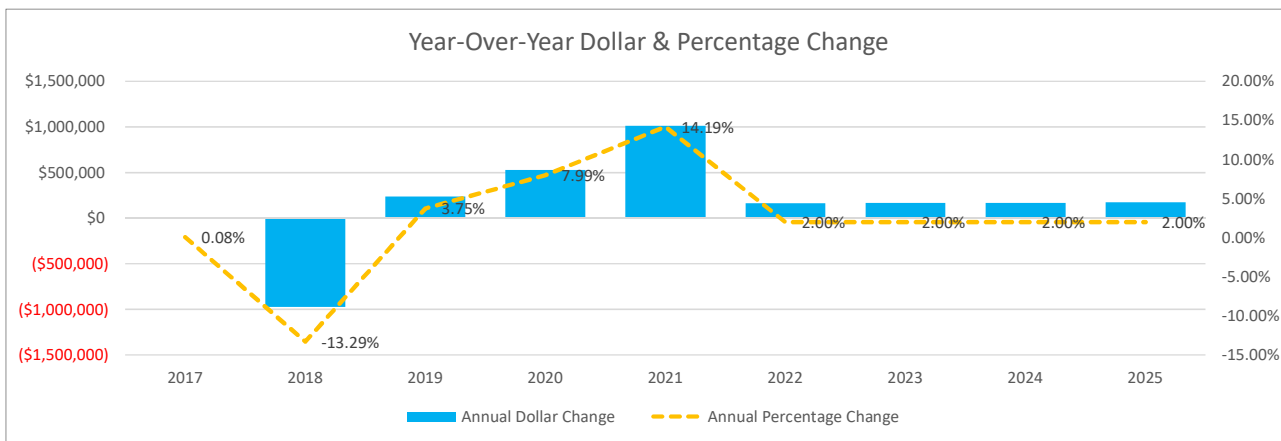
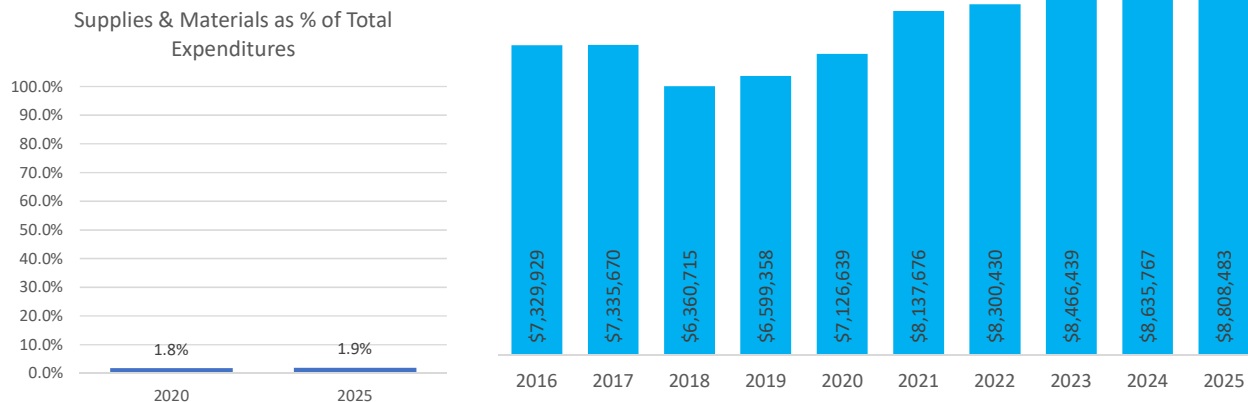
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 29.19% of total expenditures and decreased at a historical average annual rate of -0.29%. This category of expenditure is projected to grow at an annual average rate of 0.74% through FY 2025. The projected average annual rate of change is 1.03% more than the five year historical annual average.

3.040 - Supplies & Materials

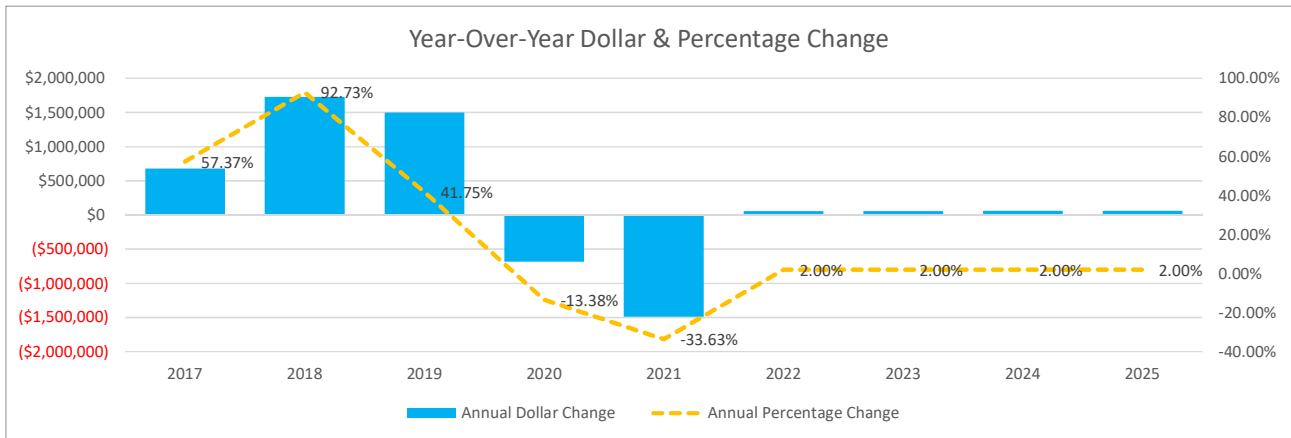
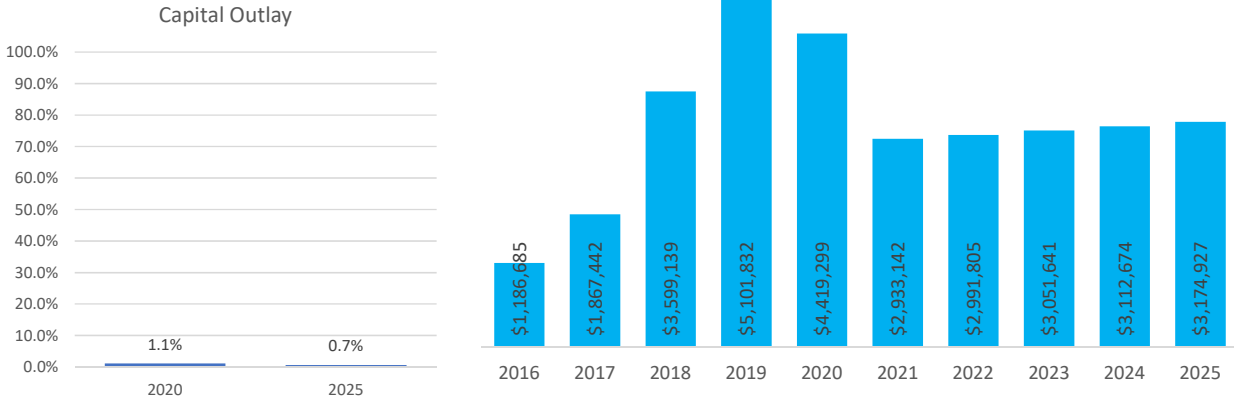
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.84% of total expenditures and decreased at a historical average annual rate of -0.52%. This category of expenditure is projected to grow at an annual average rate of 4.44% through FY 2025. The projected average annual rate of change is 4.95% more than the five year historical annual average.

3.050 - Capital Outlay

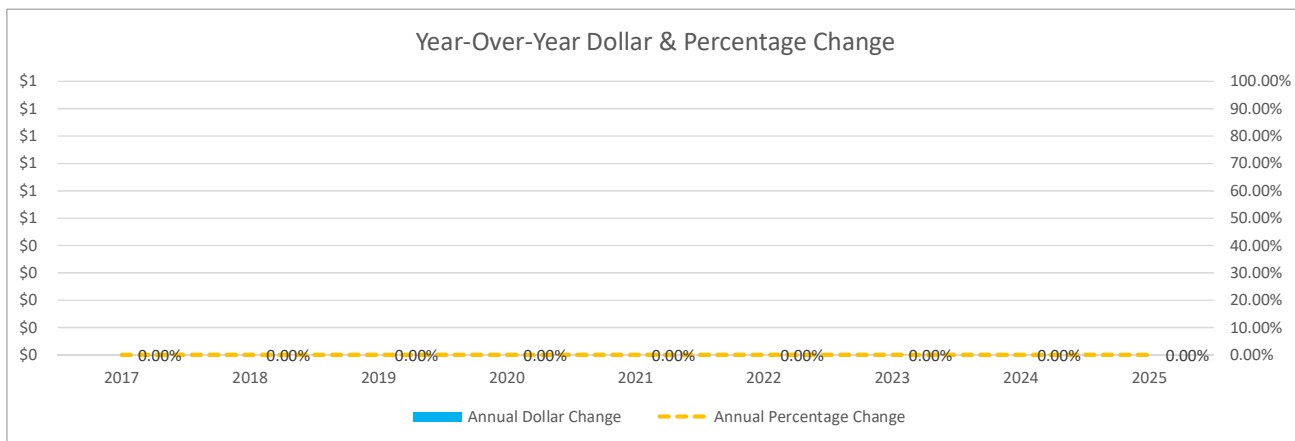
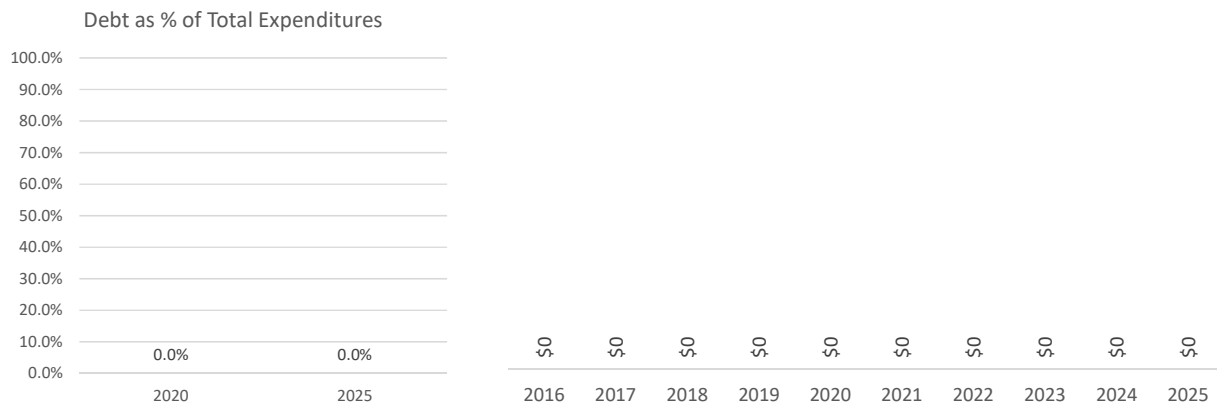
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 1.14% of total expenditures and increased at a historical average annual amount of \$850,619. This category of expenditure is projected to decrease at an annual average amount of -\$248,874 through FY 2025. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

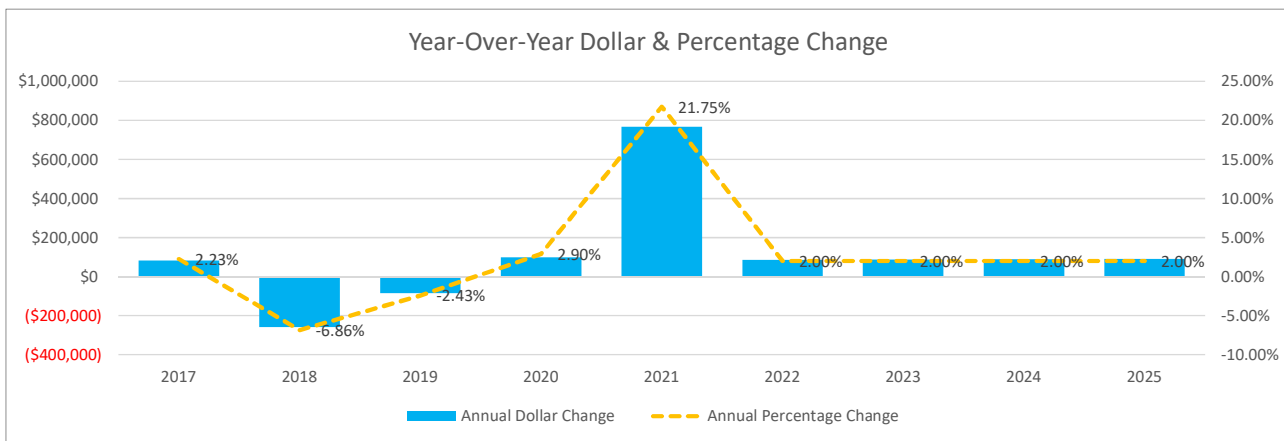
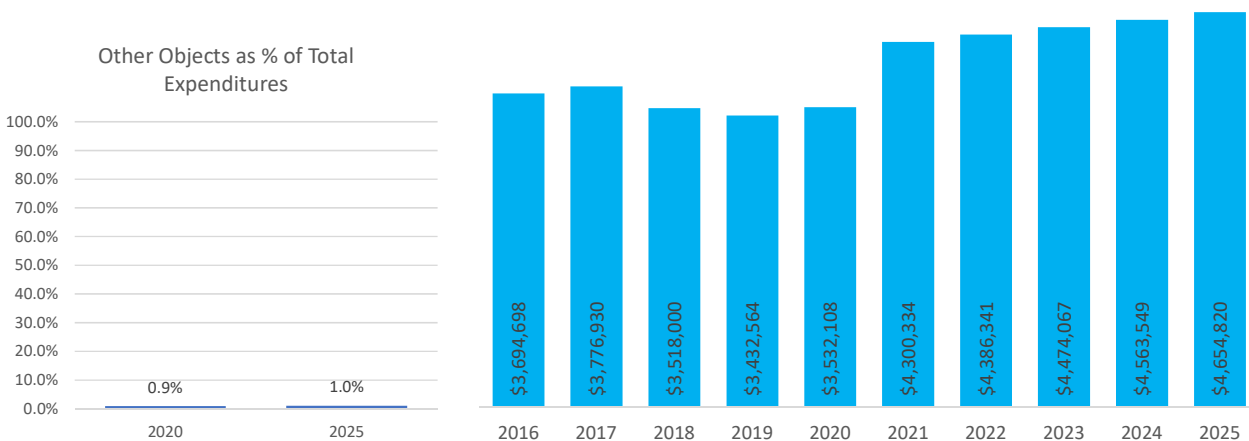
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

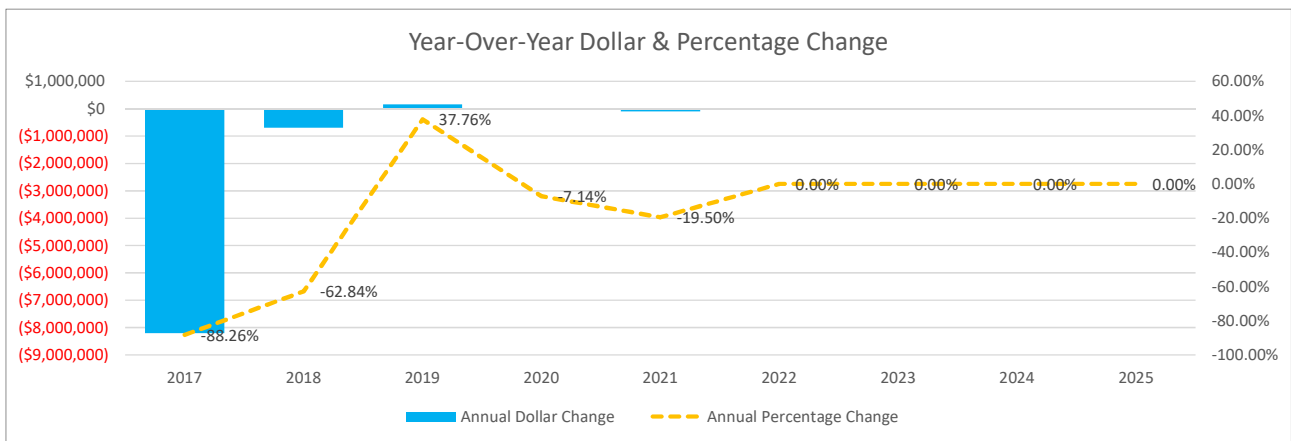
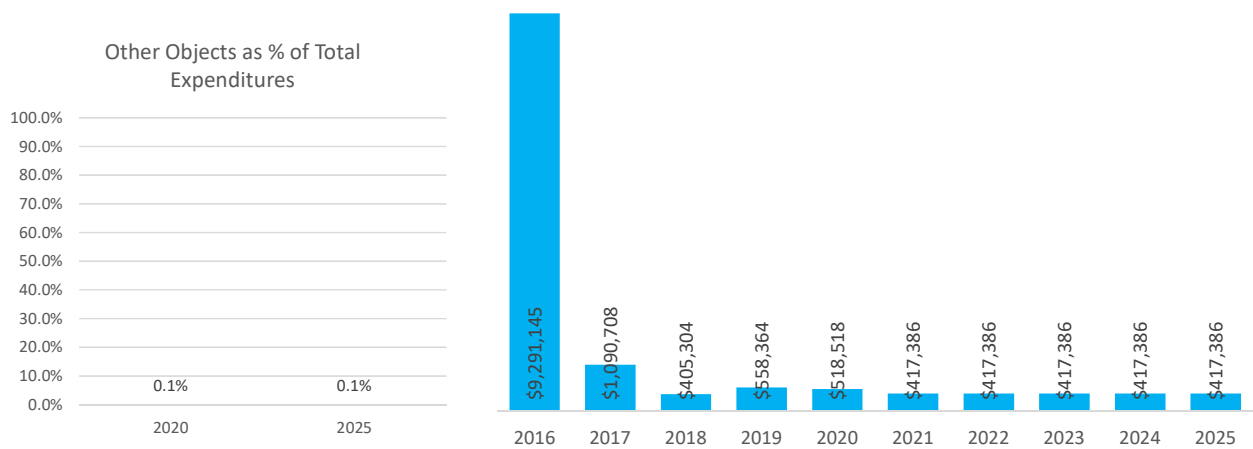
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 0.91% of total expenditures and decreased at a historical average annual rate of -2.13%. This category of expenditure is projected to grow at an annual average rate of 5.95% through FY 2025. The projected average annual rate of change is 8.08% more than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers Out	484,518	362,386	362,386	362,386	362,386	362,386
Advances Out	34,000	55,000	55,000	55,000	55,000	55,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2020 the district had advances-out and has advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2025. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Toledo City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	85,856,146	86,265,491	85,168,022	86,668,582	80,763,372	72,112,141
1.020 - Public Utility Personal Property	12,960,353	13,235,593	14,034,840	14,035,302	12,102,169	11,472,443
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	239,999,122	240,272,163	243,555,319	246,837,898	250,010,007	253,183,898
1.040 - Restricted Grants-in-Aid	26,300,983	26,191,557	26,191,557	26,191,557	26,191,557	26,191,557
1.050 - Property Tax Allocation	10,675,207	10,339,757	10,616,370	10,531,269	9,329,871	8,125,070
1.060 - All Other Operating Revenues	8,994,440	15,159,022	8,225,224	8,266,350	8,307,682	8,349,220
1.070 - Total Revenue	384,786,251	391,463,583	387,791,332	392,530,958	386,704,658	379,434,329
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	1,168,448	-	-	-	-	-
2.050 - Advances-In	34,000	55,000	55,000	55,000	55,000	55,000
2.060 - All Other Financing Sources	2,601,346	100,030	100,030	100,030	100,030	100,030
2.070 - Total Other Financing Sources	3,803,794	155,030	155,030	155,030	155,030	155,030
2.080 - Total Rev & Other Sources	388,590,045	391,618,613	387,946,362	392,685,988	386,859,688	379,589,359
Expenditures:						
3.010 - Personnel Services	186,180,710	197,735,527	205,689,450	212,961,007	220,504,902	228,325,890
3.020 - Employee Benefits	72,867,404	75,023,938	78,423,612	81,796,843	85,322,141	89,005,499
3.030 - Purchased Services	113,208,749	112,881,887	114,010,706	115,150,813	116,302,321	117,465,345
3.040 - Supplies and Materials	7,126,639	8,137,676	8,300,430	8,466,439	8,635,767	8,808,483
3.050 - Capital Outlay	4,419,299	2,933,142	2,991,805	3,051,641	3,112,674	3,174,927
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	3,532,108	4,300,334	4,386,341	4,474,067	4,563,549	4,654,820
4.500 - Total Expenditures	387,334,908	401,012,505	413,802,344	425,900,810	438,441,355	451,434,963
Other Financing Uses						
5.010 - Operating Transfers-Out	484,518	362,386	362,386	362,386	362,386	362,386
5.020 - Advances-Out	34,000	55,000	55,000	55,000	55,000	55,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	518,518	417,386	417,386	417,386	417,386	417,386
5.050 - Total Exp and Other Financing Uses	387,853,427	401,429,891	414,219,730	426,318,196	438,858,741	451,852,349
6.010 - Excess of Rev Over/(Under) Exp	736,618	(9,811,277)	(26,273,368)	(33,632,208)	(51,999,053)	(72,262,989)
7.010 - Cash Balance July 1 (No Levies)	106,211,771	106,948,389	97,137,112	70,863,743	37,231,536	(14,767,517)
7.020 - Cash Balance June 30 (No Levies)	106,948,389	97,137,112	70,863,743	37,231,536	(14,767,517)	(87,030,506)
		Reservations				
8.010 - Estimated Encumbrances June 30	7,248,184	-	-	-	-	-
9.080 - Reservations Subtotal	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
10.010 - Fund Bal June 30 for Cert of App	91,200,205	88,637,112	62,363,743	28,731,536	(23,267,517)	(95,530,506)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	6,326,062	17,092,622
11.030 - Cumulative Balance of Levies	-	-	-	-	6,326,062	23,418,684
12.010 - Fund Bal June 30 for Cert of Obligations	91,200,205	88,637,112	62,363,743	28,731,536	(16,941,455)	(72,111,822)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	91,200,205	88,637,112	62,363,743	28,731,536	(16,941,455)	(72,111,822)

