

CITY OF TOLEDO
Toledo, Ohio

REPORTS ISSUED PURSUANT TO
THE OMB CIRCULAR A-133
December 31, 2003



**Auditor of State
Betty Montgomery**

Honorable Mayor Jack M. Ford
and Members of City Council
City of Toledo
One Government Center, Suite 2050
Toledo, Ohio 43604

We have reviewed the Independent Auditor's Report of the City of Toledo, Lucas County, prepared by Clifton Gunderson, LLP, for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 5, 2004

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**Independent Auditor's Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor Jack M. Ford and
Members of City Council
City of Toledo
Toledo, Ohio

We have audited the basic financial statements of the City of Toledo, Ohio (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 4, 2004.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 4, 2004.

This report is intended solely for the information and use of the Mayor, City Council, City management, Audit Committee, others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Toledo, Ohio
June 4, 2004

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program, Internal Control Over
Compliance and Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

The Honorable Mayor Jack M. Ford and
Members of City Council
City of Toledo
Toledo, Ohio

Compliance

We have audited the compliance of the City of Toledo, Ohio (the City) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City'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. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in Items 03-1, 03-2 and 03-3 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding reporting that are applicable to its Highway Planning and Construction Grant and Brownfield Pilot and Job Training Development Pilot Grants. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to such programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

The Honorable Mayor Jack M. Ford and
Members of City Council
City of Toledo
Toledo, Ohio

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Items 03-1, 03-2 and 03-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, City Council, City management, Audit Committee, others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Toledo, Ohio
June 4, 2004

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Housing and Urban Development (HUD):			
Direct Grants			
Community Development Block Grants/Entitlement Grants	14.218	B-97-MC-39-0021 B-98-MC-39-0021 B-99-MC-39-0021 B-01-MC-39-0021 B-02-MC-39-0021 B-03-MC-39-0021 B-04-MC-39-0021	\$ 34,801 26,178 61,440 254,517 1,272,004 4,834,478 4,444,684
			<u>10,928,102</u>
Sub-Total CFDA 14.218			
Emergency Shelter Grants Program	14.231	S01-MC-39-0021 S02-MC-39-0021	180,996 174,095
			<u>355,091</u>
Sub-Total CFDA 14.231			
Supportive Housing Program	14.235	S97-MC-39-0021 S98-MC-39-0021 S00-MC-39-0021 S01-MC-39-0021 S02-MC-39-0021	8,471 6,709 (2,334) 223,540 60,546
			<u>217,279</u>
Sub-Total CFDA 14.235			<u>514,211</u>
Home Investment Partnership Program	14.239	M-00-MC-39-0021 M-01-MC-39-0021 M-02-MC-39-0021 M-03-MC-39-0021	10,000 294,079 1,564,982 191,610
			<u>2,060,671</u>
Sub-Total CFDA 14.239			
Economic Development Initiative Grant	14.246	B-99-SP-OH-0250 B-00-SP-OH-0327	147,265 270,080 174,933 36,262
			<u>628,540</u>
Sub-Total CFDA 14.246			
Jeep Project 108 Loan Guaranteed Fixed Note	14.248	-	<u>21,025,000</u>
Lead Based Paint Program	14.900	OH-LB-01-4799	235,616
			<u>3,333</u>
Sub-Total CFDA 14.900			<u>238,949</u>
Passed-through			
Lucas County Metropolitan Housing Authority			
Public and Indian Housing Drug Elimination Program	14.854	-	<u>301,668</u>
Total U.S. Department of HUD			<u>\$ 36,052,232</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Justice:			
Direct Grants			
Criminal Justice Coordinating Council			
Toledo Youth Drug/Gang Prevention Program	16.540	99-JJ-DP2-0291 00-DG-B01-B1009	\$ 4,603 1,149 <u>5,752</u>
Sub-Total CFDA 16.540			
Bureau of Justice Assistance			
Local Law Enforcement Block Grants	16.592	99-LB-VX-8674 00-LB-BX-8674 01-LB-BX-1785 02-LB-BX-1785	(15,127) 2,519 110,195 237,692 <u>335,279</u>
Sub-Total for CFDA 16.592			
Office of National Drug Control Policy			
High Intensity Drug Trafficking Area Grant (HIDTA)	16.000	-	<u>106,012</u>
Passed-through			
Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council			
Juvenile Accountability Incentive Block Grant	16.523	99-JB-010-C103 00-JB-010-C103 01-JB-010-C103 02-JB-010-C103	3,649 91,000 483 8,940 <u>104,072</u>
Sub-Total for CFDA 16.523			
Byrne Formula Grant Program	16.579	02-DG-B01-B1012 02-DG-B01-B1011	11,209 8,750 <u>19,959</u>
Sub-Total for CFDA 16.579			
Byrne Memorial State and Local Law Enforcement Assistance Program	16.580	00-DG-B02-B1002 02-DG-B02-B1002 03-DG-B02-B1002 01-DG-H01-7609 02-DG-H01-B101 99-DG-B01-7638	(3,547) (1,546) 113,112 75,000 7,172 (2,463) <u>187,728</u>
Sub-Total for CFDA 16.580			
Violence Against Women Formula Grant	16.588	00-WF-VA3-8841 01-WF-VA3-8841 02-WF-VA3-8841 02-DG-E01-81013	42,917 (555) 26,669 10,837 <u>79,868</u>
Sub-Total for CFDA 16.588			
Organized Neighbors Yielding Excellence (ONYX)			
Weed and Seed Strategy Grant	16.595	-	111,745
LDC Grant		-	(2,853)
LDC Truancy Grant		-	56,462
2002 Lagrange Grant		-	29,883
2003 Lagrange Grant		-	37,364
Sub-Total for CFDA 16.595			<u>232,601</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
Total U.S. Department of Justice			\$ 1,071,271
U.S. Department of Transportation:			
Passed-through			
Ohio Department of Transportation			
Highway Planning and Construction Grants	20.205	-	\$ 7,620,759
MLK Rehabilitation Projects	-	-	1,132,303
Monroe Street Improvements	-	-	98,078
Centralized Traffic Control	-	-	209,235
Signal Project	-	-	124,111
Traffic Control	-	-	314,249
Alexis Road Rehab	-	-	7,671
Lagrange Street Enhancement	-	-	105,538
Route 24 Anthony Wayne Trail	-	-	200,649
Buckeye Basin	-	-	741,224
Alexis Road Improvement	-	-	1,343,524
Miami Street Improvement	-	-	11,897,341
Sub-Total for CFDA 20.205			
Ohio Department of Highway Safety - Office of the Governor's Highway Safety Representative			
Selective Traffic Enforcement Program Grant	20.600	-	81,778
Total U.S. Department of Transportation			\$ 11,979,119
U.S. Environmental Protection Agency(EPA):			
Direct Grants			
Brownfield Pilot Grant	66.811	BT-98538801	\$ 112,522
Brownfield Job Training Development Pilot Grant		BT-97535501	23,101
Sub-Total for CFDA 66.811			135,623
Passed-through			
Ohio Environmental Protection Agency			
Air Pollution Control Program	66.001	BG985692-98	308,037
Capitalization Grants for State Revolving Funds	66.458	-	
OWDA Loans	-	-	3,813,060
Army Corp of Engineers			1,575,000
Sub-Total for CFDA 66.458			5,388,060
Total U.S. EPA			\$ 5,831,720

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Health and Human Services:			
Direct Grants			
Public Health and Social Services Emergency Fund	93.003	-	\$ 99,266
Passed-through			
State Department of Health Bioterrorism Training and Curriculum Development Program	93.996	-	<u>7,620</u>
Total U.S. Department of Health and Human Services			<u>106,886</u>
Corporation for National and Community Service:			
Direct Grant			
Rebuild America	94.004	DE-FG-45-96R530327	<u>16,995</u>
Federal Emergency Management Agency:			
Direct Grant			
Hazardous Materials Assistance Program	83.012	-	<u>58,841</u>
U.S. Department of Industry:			
Direct Grants			
Urban Park and Recreation Recovery Program	15.919	-	<u>50,000</u>
Total Federal Awards Expended			<u>\$ 55,167,064</u>

CITY OF TOLEDO, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2003

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1(c) to the City of Toledo, Ohio's (the City) basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

The City provided federal awards to various subrecipients on a pass-through basis as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development:		
Community Development Block Grant/Entitlement Grant	14.218	\$ 4,164,921
Emergency Shelter Grants	14.231	355,091
Supportive Housing Grants	14.235	75,730
Home Investment Partnership Programs	14.239	1,813,947
Economic Development Initiative Grant	14.246	364,289
Department of Justice/Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council:		
Juvenile Justice and Delinquency Prevention	16.540	<u>4,604</u>
Total Passed Through		<u>\$ 6,778,582</u>

This information is an integral part of the accompanying schedule.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2003

SUMMARY

1. The auditor's report expresses an unqualified opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Toledo, Ohio (the City).
2. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
3. The auditor's report on compliance for the major Federal award programs for the City expresses a qualified opinion.
4. Three audit findings relative to a major Federal award program for the City are reported in the Findings and Questioned Costs – Single Audit section of this schedule.
5. The following programs were tested as major programs:

Economic Development Initiative Grant	14.246
JEEP Project 108 Loan Guaranteed Fixed Note	14.248
Highway Planning and Construction Grants	20.205
Brownfield Pilot and Job Training Development Pilot Grants	66.811
Capitalization Grants for State Revolving Funds	66.458

6. The threshold for distinguishing Type A and B programs was \$1,024,262. The HUD 108 loan guarantee notes, which occur rarely, were excluded for the purpose of the threshold calculation since inclusion of this amount would have distorted the normally occurring activity of the City.
7. The City was not determined to be a low-risk auditee.

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

Reference 03-1 – Reporting for the Highway Planning and Construction Grants

Grant from the U.S. Department of Transportation
Highway Planning and Construction Grants
CFDA 20.205

Criteria

Circular A-133 requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements.

Condition

The expenditure amount reported in the schedule of expenditures of federal awards for the Martin Luther King, Jr. Bridge project is the entire invoice amount, including amounts paid by the City for their required match. Also, several invoices reimbursed by the Department of Transportation were not included on the schedule of expenditures of federal awards due to the miscoding of the grant subprogram number. The net effect of these transactions resulted in an understatement of expenditures of federal awards totalling \$32,812. The amounts included on the schedule of expenditures of federal awards are determined based on the subprogram number.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2003

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 03-1 – Reporting for the Highway Planning and Construction Grant, Continued

Effect

As the general ledger is used to prepare the schedule of expenditures of federal awards, the schedule of expenditures of federal awards does not accurately reflect current year expenditures.

Recommendation

We recommend the individual responsible for monitoring the grant periodically reconcile expenditures and reimbursements to the general ledger to ensure accurate reporting. All grants should be reconciled to the general ledger as of year-end to ensure the accuracy of the schedule of expenditures of federal awards.

City Response

The Division of Streets, Bridges & Harbor has implemented a new Internal Account Tracking procedure for capital projects. The Administrative Operations Officer at SBH has been directed to reconcile the internal account tracking records with the City of Toledo Ross Accounting System on a quarterly basis. Contractors and consultants will be notified that an invoice will be required with a firm cutoff date of December 31 of each year to assure year-end accuracy and reconciliation with the Ross System. The Finance Department will provide a preliminary federal financial assistance schedule for review by the departments prior to finalizing the year-end process.

Reference 03-2 – Reporting for the Brownfield Pilot Grant and Job Training Development Pilot Grant

Grant from the U.S. Environmental Protection Agency
Brownfield Pilot and Job Training Development Pilot Grants
CFDA 66.811

Criteria

Circular A-133 requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements.

Condition

The City's general ledger does not accurately reflect current year expenditures under the grant agreement because personnel expenses were not reclassified against the grant subprogram number. A spreadsheet is maintained with actual grant expenditures, however, this spreadsheet has not been updated since September 2003.

Effect

As the general ledger is used to prepare the schedule of expenditures of federal awards, the schedule of federal awards does not accurately reflect current year expenditures. Through September 2003, the schedule of expenditures of federal awards is understated by \$15,839 and the understatement for the period October through December 2003 has not been determined.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2003

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 03-2 – Reporting for the Brownfield Pilot Grant and Job Training Development Pilot Grant, Continued

Recommendation

We recommend the individual responsible for monitoring the grant make reclassification entries to general ledger to properly state expenditures to date, or as an alternative or make sure Division of Accounts is aware of the discrepancies between the general ledger and actual expenditures.

City Response

The Division of Environmental Services has assigned the accounting duties to be performed to a different employee who will correct the inaccurate entries and advise the Division of Accounts of these corrections. This employee will perform all required accounting entries on a timely basis.

Reference 03-3 – Reporting for the Brownfield Pilot Grant and Job Training Development Pilot Grant

Grant from the U.S. Environmental Protection Agency
Brownfield Pilot and Job Training Development Pilot Grants
CFDA 66.811

Criteria

EPA requires quarterly reports to be submitted within 30 days of quarter end regardless of activity.

Condition

The City is not submitting quarterly reports to EPA within 30 days of quarter end. Nor are reports submitted for the Brownfield Job Training Pilot Grant for quarters in which there was no activity or classes held.

Effect

Noncompliance with this requirement could affect authorization of future awards.

Recommendation

We recommend the City ensure quarterly reports are submitted within the required time restrictions.

City Response

The Division of Environmental Services will submit accurate and timely quarterly reports. A different employee has been assigned to prepare and submit the required quarterly reports.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS

Reference 02-1 – Cash Management Economic Development Initiative

Grant from the U.S. Department of Housing and Urban Development
Economic Development Initiative
CFDA 14.246

Criteria

HUD generally does not permit an advance of federal funds.

Condition

A federal award was fully advanced in August 2002 to a subrecipient without sufficient documentation as to the purpose of the advance. Documentation regarding the use of the funds has not been received since the funds were advanced. Interest on advanced funds has not been received.

Effect

Allowability of costs cannot be verified or tested without sufficient supporting documentation. Therefore, unallowable costs, if any, could be incurred and funds may need to be returned to HUD. In addition, the subrecipient should refund any interest income earned on federal funds to HUD.

Recommendation

We recommend the City prohibit advancing the full award to subrecipients without just cause.

City Response

The City initially responded to this finding in 2002, however, the City continued to take a proactive approach to prevent this issue from happening again.

The City has implemented additional internal controls by creating and using the Federal Funds Disbursement Request Checklist. This checklist answers questions specific to each disbursement such as identifying the funding source, original budget or modifications to the budget and identifying restrictions, if any.

The City has also received and reviewed the supporting documentation related to the advance from WSOS. The allowability of costs were verified by the City's staff accountant and found to be in compliance with HUD's regulations.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-2 – Reporting JEEP Project 108 Loan Guaranteed Fixed Note

Loan Guarantee from the U.S. Department of Housing and Urban Development
JEEP Project 108 Loan Guaranteed Fixed Note
CFDA 14.248

Criteria

By the 15th of each July, the City is to provide HUD with a written statement showing the amount of non-tax revenues received during the preceding calendar year, together with a statement of the aggregate amount of payments made on other non-tax revenue obligation during the corresponding period.

Condition

The City has not provided HUD with a written statement showing the amount of non-tax revenues received during the preceding calendar year, together with a statement of the aggregate amount of payments made on other non-tax revenue obligation during the corresponding period by the 15th of each July.

Effect

Noncompliance with reporting requirements could result in the City being in default under the note. If loans are deemed to be in default, HUD could, among other repercussions, withhold the disbursement of all or any grants not yet disbursed in full under outstanding guarantee commitments or grant approvals.

Recommendation

Program personnel should ensure that the proper reports are submitted to the proper authorities within given time restraints.

City Response

The City initially responded to this finding in 2002. As a result of the prior finding, the City sent the Comprehensive Annual Financial Report (CAFR) to both HUD in Washington, D.C. and also to HUD in Columbus, Ohio. The same procedure will be followed this year.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-3 – Reporting for the Local Law Enforcement Block Grant Programs

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

Semi-annual progress reports are required to be submitted for the grant period.

Condition

The City does not submit semi-annual progress reports.

Effect

The non-compliance with reporting requirements could result in return of funds to the Department of Justice.

Recommendation

Program personnel should ensure that the proper reports are submitted to the proper authorities within given time restraints.

City Response

Progress reports will be filed by the Police Department on a timely basis. The Fiscal Affairs office will continue to monitor the filing of these reports as prepared by the Police Grants office.

Reference 02-4 – Cash Management and Reporting for Local Law Enforcement Block Grant Programs

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

Any funds and interest that remain unobligated at end of the 24 months from the date of initial payment shall be returned to Bureau of Justice Assistance within 27 months of the initial payment of the grant and a final report is due 90 days after the end date of the grant.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-4 – Cash Management and Reporting for Local Law Enforcement Block Grant Programs, Continued

Condition

The City has not submitted unobligated funds within 27 months of the initial payment of the grant years 1997 through 2000. A final report has not been submitted for grant years 1997 through 2000.

Effect

Not returning unobligated funds and not submitting final reports could result in return of funds to the Department of Justice or could affect amount of future grants.

Recommendation

Program personnel should ensure that the proper reports are submitted and unobligated funds are returned to the proper authorities within given time restraints.

City Response

Timely closeouts of grants are now a high priority with the Grant Section of the Police Department. Internal policy requires close out of grants within time constraints.

Reference 02-5 – Cash Management for the Local Law Enforcement Block Grant Programs

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

The accounting and information systems should provide reliable processing of financial and performance information for Federal awards.

Condition

Department accounting systems used to monitor grant expenditures and prepare quarterly financial status reports are not being reconciled to the accounting system used to process expenditures. *QuickBooks* is used to monitor grant expenditures and prepare quarterly financial status reports and *Ross* is used to process expenditures.

Effect

An error could be made with data entry in either system.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-5 – Cash Management for the Local Law Enforcement Block Grant Programs, Continued

Recommendation

The system used to prepare the reports submitted to grantor should be reconciled to the accounting system used to process expenditures.

City Response

The Fiscal Affairs Bureau works with the City's Finance Department on a continuing basis on the reconciliation of grant information with the books of the City. Special grant reports are being requested and utilized for this task.

Reference 02-6 – Cash Management for the Capitalization Grants for State Revolving Funds – OWDA Loans

Grant from the U.S. Environmental Protection Agency
Passed Through the Ohio Environmental Protection Agency
Capitalization for State Revolving funds
CFDA 66.458

Criteria

Internal controls should be placed into service to ensure reliable processing of financial and performance information for Federal Awards.

Condition

There was an instance where it went unnoticed that the amount reimbursed by OWDA was \$249,806 less than the amount requested for reimbursement. The Treasury Department maintains a copy of the request for reimbursement from the respective department. Reimbursement checks from OWDA are sent to the City's Treasury Department to be processed into the general ledger system and deposited. Treasury attaches the check stub from the reimbursement check to the request form. However, the Treasury Department does not verify the check amount is the same amount as the amount requested, nor is this information forwarded to the respective departments. In this instance, the Water Reclamation Department did not reconcile the request for reimbursement to the amount recorded in the general ledger system.

Effect

A reimbursement amount could be incorrect and not be detected by the person monitoring the loan.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-6 – Cash Management for the Capitalization Grants for State Revolving Funds – OWDA Loans, Continued

Recommendation

We recommend that the Treasury Department forward a copy of the reimbursement check stub to the respective departments. In addition, on a regular basis, the departments should reconcile the supporting documentation to the general ledger in order to ensure accurate reporting and cash management.

City Response

The Division of Taxation and Treasury has consistently forwarded copies of the remaining journal entries and any supporting documentation received with each grant payment to the appropriate City department. The Water Reclamation Department staff has been reconciling any differences between the reimbursement requests and the City accounting system since the initial recommendation was made in the previous Single Audit Report.

Reference 02-7 – Cash Management for the Capitalization Grants for State Revolving Funds – OWDA Loans

Grant from the U.S. Environmental Protection Agency
Passed Through the Ohio Environmental Protection Agency
Capitalization for State Revolving funds
CFDA 66.458

Criteria

Change orders that do not substantially modify the proposed project facilities or alter the direct or indirect impact of the project facilities upon the environment must be submitted to the Ohio EPA within one month of the time at which the change order was approved by the City.

Condition

Change orders are not being submitted within a timely manner.

Effect

Change orders will not be reimbursed until they have been received and approved by the Ohio EPA. Therefore, it is important to submit change orders within a timely fashion in order to avoid delays in reimbursement.

CITY OF TOLEDO, OHIO

SUMMARY OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2003

MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Reference 02-7 – Cash Management for the Capitalization Grants for State Revolving Funds – OWDA Loans, Continued

Recommendation

We recommend change orders are submitted within one month of the time at which the change order was approved by the City.

City Response

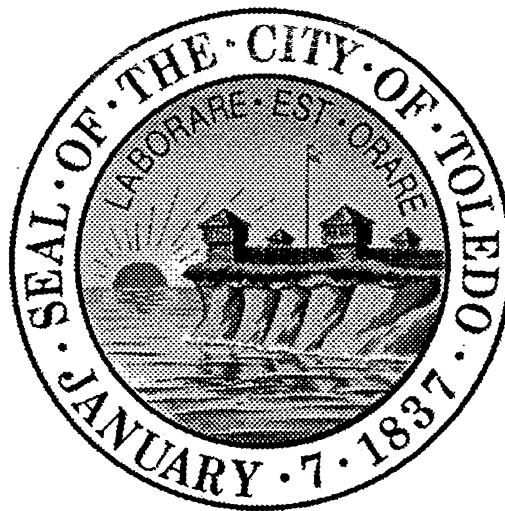
The City Utilities Department has been in compliance with the 30-day time limit with regards to advising Ohio EPA of contract change orders since the issue was referenced in the 2002 Single Audit Report. A special routing and tracking form has been developed to insure that the citation does not reoccur.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

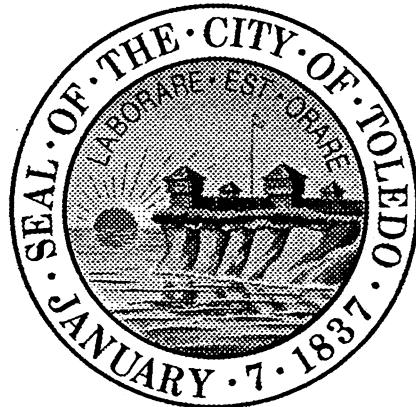
DEPARTMENT OF FINANCE



“an elegant city-a point of destination”

CITY OF TOLEDO, OHIO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003



PREPARED BY:
THE DEPARTMENT OF FINANCE
THOMAS CROTHERS, ACTING FINANCE DIRECTOR

INTRODUCTORY SECTION

CITY OF TOLEDO, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF TOLEDO



**JACK FORD
MAYOR**

June 30, 2004

Honorable Mayor Jack M. Ford, Louis Escobar, President
and Members of City Council and Citizens of the City of Toledo, Ohio

We are pleased to submit the 2003 Comprehensive Annual Financial Report of the City of Toledo, for the year ended December 31, 2003. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations including all disclosure rests with the City. We believe the data is presented in a manner which fairly presents in all material respects the financial position and results of operations of the City, with all the necessary disclosures. Furthermore, we believe the accompanying financial statements, which are presented in conformity with Generally Accepted Accounting Principles (GAAP) and the Ohio Revised Code, contain financial, operating and budgetary information for the year 2003 that will be informative to a variety of users, including taxpayers, citizens and other resource providers.

The Comprehensive Annual Financial Report (CAFR) is prepared by the Department of Finance, Accounts Division and is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, a list of principal officials and an organization chart of the City. The Financial section, prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board (GASB), includes the basic financial statements, the combining and account group financial statements, and the report of independent auditors on the basic financial statements. The Statistical section contains pertinent financial and general information about the City over the last ten years.

This transmittal letter should be read in conjunction with the Management's Discussion and Analysis which provides a narrative introduction, overview and analysis of the basic financial statements.

This report includes all the funds, account groups, agencies, boards and commissions over which the City is financially accountable. The City provides a full range of municipal services. These services include highways and streets, public safety, water and sanitation, culture and recreation, health and social services, public improvements and planning and zoning. General Administrative Services are not applicable to any particular program and are categorized as such in the financial statements. The City has included in its financial statements the operations of the Clerk of Courts. It has excluded various autonomous entities such as the Toledo City School District, the Toledo Area Regional Transit Authority, the Toledo-Lucas County Port Authority, the Toledo Zoo, the Toledo Hospital, the Toledo Metropolitan Park District and The University of Toledo.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Toledo is located in Lucas County in northwestern Ohio. It covers an area of 84 square miles. Toledo, with a population of approximately 314,000, is the fourth largest city in the state of Ohio. 149,000 people are employed within the City limits.

Toledo's economy has experienced the major changes that are typical of most large U.S. cities: Once dominant, large manufacturers have felt the effect of global competition. The result is the emphasis has shifted from very large manufacturing facilities toward the small and medium-sized companies with less than 100 employees. Also, the diversification within Toledo's industrial base is being realized through the attraction and development of high-tech and medical bio-tech companies. These companies, realizing their affordable access to Great Lakes shipping and international cargo flights, have directed their focus to international as well as domestic markets.

A successful new manufacturing project demands not only attention to high quality and exceptional service, but also a transportation network which benefits suppliers, manufacturers, and customers by providing a means of moving raw materials and finished product efficiently and effectively. Toledo is in the heartland of such production. Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent of these facilities are within 250 miles. Thirty-six (36) percent of U.S. and 19 percent of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, 33 percent of the U.S. population resides within 500 miles of Toledo. These statistics are not expected to change significantly in the next decade.

To move products to market efficiently requires a multiple-surface transportation system, including road, rail, water and air capacity. Toledo has an impressive and effective transportation network in place. Toledo is one of the leading rail centers of the United States. Four rail systems utilize more than 1,200 miles of track within the City. The Port of Toledo is Ohio's largest and most diversified port. Toledo Express Airport is the commercial airport serving Northwest Ohio, providing direct service to most major U.S. cities.

Since the Toledo area serves as a major transportation center, significant employment is provided by transportation industry employers. Among those employers is BAX Global International (formerly Burlington Air Express), which operates a cargo distribution hub facility at Toledo Express Airport. BAX Global International now has approximately 850 regular employees at the hub facility.

The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo area remains the home of four of the nation's largest glass manufacturing companies, Owens-Illinois, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey, Inc., earning the City the title of the "Glass Capital of the World", and DaimlerChrysler AG, General Motors Corporation and Dana Corporation also continue to be major employers in the Toledo MSA. The Toledo MSA is also one of the larger oil refining centers between Chicago and the eastern seaboard, with BP Oil Co. and Sun Refining and Marketing each operating a major refinery in the MSA. In recent years, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA.

The City has been active in promoting industrial and commercial development in the City and the Toledo MSA, providing financing information, marketing programs and, in some cases, infrastructure improvements, grants and other incentives designed to encourage economic development and the creation and retention of jobs. In addition, the City is addressing Brownfield redevelopment in a collaborative partnership with property owners.

To compete effectively in a global marketplace, Toledo must continue to promote local, state and federal incentives as opportunities for success to companies outside of its jurisdiction as well as to those seeking to grow from within. The available incentive options include: tax abatement, low interest loans, land and building acquisitions, low cost utilities and capital public improvements. In addition to those offerings, the City of Toledo continues to foster a climate that is pro-business development and our commitments are clearly revealed in the increasing number of projects occurring in the community.

MAJOR INITIATIVES

Toledoans have a strong work ethic and a proud tradition of excellence in the glass, automotive, and other industries. Our green spaces and parks are second to none. Without question, both the art museum and zoo are venues of superior quality. Many other amenities grace the Toledo area.

A myriad of financial resources, entrepreneurial savvy, political leadership and a skilled workforce have bonded together to position Toledo for an economic renaissance. The challenge is to continue attracting vibrant new businesses while also offering creative solutions for maintaining our existing employment base. Simultaneously, with a cooperative spirit, we are laboring to make the Toledo region a center for entertainment, sports, culture, education and technology. We continue to make progress toward these goals.

In 2003, the owners of Westfield Shoppingtown Franklin Park Mall announced plans for a major capital improvement and expansion project at that Mall, which is the largest shopping center in the City. The \$113 million project, now under construction, includes demolition of a closed department store building and construction of a new two-story wing and two parking garages. The new wing will include space for stores, restaurants and a 16-screen theater complex. The City intends to provide certain public infrastructure improvements in support of the project.

In 2003, Dana Corporation commenced construction of a division office and research and development center for its Automotive Systems Group. That center, an approximately \$30 million, 183 square foot facility, will be located in Maumee on an approximately 30-acre site formerly owned by the City. When completed, the center is expected to employ approximately 450 workers. Under a cooperative economic development agreement between the City, Maumee and Monclova Township, the City and Maumee are to share the municipal income tax revenues from the center and employees at the center, with the City to receive approximately one-third of those revenues and Maumee two-thirds for a period of 45 years.

The City and the City of Rossford, which borders the City to the south and is in Wood County, have entered into a cooperative agreement pursuant to which the City has agreed to extend water service to an area south of Rossford considered to be a prime area for growth and economic development once it is annexed to Rossford. The agreement provides for the creation of a joint economic development zone comprised of that area and for the two cities to share the costs of infrastructure improvements for the area and the income tax revenues received by Rossford from businesses that locate in the zone and their employees. The City has also entered into an agreement with the City of Perrysburg for a similar joint economic development zone under similar circumstances and terms.

For the Future: The Toledo' MSA tax base continued to improve throughout 2003. The Toledo MSA population is anticipated to remain stable through 2004 at an estimated 619,000. One result of this is that Toledo continues to be recognized as a location that is amenable for economic development.

Employment in the Toledo MSA also continues on a stable path. City employment contributed 149,000 jobs. Part of the positive employment picture was created by the DaimlerChrysler Stickney Avenue Jeep project. That project consists of \$1.2 billion investment in the City to renovate and expand its existing Stickney Avenue plant into a 1.1 million square foot manufacturing facility. Total employment for DaimlerChrysler in 2001 equaled 4,100. The new plant was completed in 2001 and immediately began production of the best-selling Jeep Liberty.

In April 2004, DaimlerChrysler and United Auto Workers Local 12 entered into a new collective bargaining agreement covering approximately 4,100 employees at DaimlerChrysler's Jeep manufacturing facilities in the City for a term ending in 2011. The agreement contemplates the development of alternative flexible operating approaches for future products. DaimlerChrysler has announced plans for significant further plant investments to support these new approaches and products.

Dollar Amounts in Thousands

In 2003, Mercy Health Partners announced its plans for a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The Medical Center, with 580 registered beds, 19,000 inpatient admissions and 62,000 emergency center visits last year, is Mercy Medical Partners' largest facility. The project is to include construction of a four-story, \$45 million Heart Center Pavilion and \$45 million in renovations in the main hospital building. Construction is expected to begin in 2004 and to be completed in 2008. The expansion is expected to result in the creation of more than 60 permanent jobs at the Center.

In 2001, the ProMedica Health System completed construction of a new \$8 million emergency medical facility on the campus of its Toledo Hospital medical center and announced a comprehensive plan to replace, renovate and expand other facilities on the campus in two phases over five years. The first phase, estimated to cost \$200 million, is to include operating rooms, diagnostic areas, intensive care units and patient rooms. Construction of that phase commenced in 2002. The second phase is expected to include the construction of patient rooms in two twin towers and to commence upon completion of the first phase. The City made \$1.5 million available in 2002 for street improvements in connection with these projects.

A total of 16 private and public golf courses are located in the Toledo MSA. One of those courses, Inverness Country Club, periodically hosts major USGA and PGA Championships. An LPGA tournament is held in the area annually.

The resurgence of Downtown Toledo as a premier address for new and/or expanding office, cultural and retail establishments is being recognized. In 2001, the Toledo Public Library completed work on a \$45 million expansion and renovation project at the Main Library, adding more than 271,000 square feet of library space and 300 parking spaces. The Columbus, Ohio-based Center of Science and Industry (COSI) operates a science museum in the Downtown area of the City along the Maumee River. The City donated the property for the museum to the Ohio Arts Facility Commission, which leases the museum to COSI. The museum features both permanent and traveling exhibits.

In 2003, the City was awarded a \$3 million grant from the State of Ohio for the cleanup and redevelopment of a 45-acre site formerly used by Pilkington North America, Inc. as a waste disposal site for byproducts of the glass making process. Environmental remediation is expected to begin during the summer of 2004. The remediated site is expected to be developed for residential and commercial uses.

The City continues to seek a developer for the Marina District, a \$190 million retail, commercial and residential development along the Maumee River between Main Street and Interstate 280. The developer's master plan calls for a new sports arena development, commercial office buildings, hotels, retail shops, movie theaters and approximately 350 market rate apartments.

Many cultural and recreational opportunities are available in the City and the County. The Toledo Museum of Art, located within the City, is a privately endowed, nonprofit institution noted for the quality of its permanent collection and art education projects, as well as for its displays of traveling exhibits. In the past two years, the Museum has completed a major renovation and restoration of its existing facilities, dedicated a new sculpture garden and has begun construction of a new 57,600 square foot Center for Glass, celebrating the City's role as the Glass City. The Center for Glass will include exhibition space courtyards, a café and a state of the art glass making facility. In 2003, the Museum was one of two museums in the United States hosting an international traveling exhibition of more than 25 works by Vincent Van Gogh.

In addition to activities within the area, the City of Toledo continues to work with entities such as the Regional Growth Partnership in developing national and international ties. The City of Toledo hosted business delegations from various foreign countries. In addition, the City continued to solidify its relationship with DaimlerChrysler.

Like many other state and local governments, the City has been affected by the downturn in the economy over the past 36 months. City officials have been and are continuing to monitor City spending and income tax collections and other revenues very closely and have taken steps in recent years to control the size and structure of the City's workforce. Officials have also limited expenditures for overtime, trimmed support costs and eliminated expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with the projected revenues.

DEPARTMENT FOCUS

The Toledo-Lucas County Plan Commissions staff provides professional planning services to the Toledo City Plan Commission, Toledo City Council, and the Lucas County Planning Commission (serving the eleven unincorporated townships in Lucas County). This joint city-county agency was formed in 1932 to consolidate all planning activities for the City of Toledo and Lucas County's Townships under the guidance of a single professional staff.

Duties of this joint city-county staff to the Toledo City Plan Commission and Toledo City Council include: the analysis of and recommendations for proposed zoning changes and special use permits applications that may impact residential, commercial and industrial areas; commenting on site plans for significant developments; review of proposed residential, commercial and industrial subdivisions; preservation of open space; development of zoning code text changes; preparation of neighborhood and district comprehensive plans; and working with a variety of community groups on neighborhood planning projects. The staff performs similar functions for the Lucas County Planning Commission.

Five electors of the City of Toledo comprise the Toledo City Plan Commission. The Mayor appoints the Commissioners to five-year terms with the consent of Toledo City Council. Members are limited to two five-year terms. The City Plan Commission, in conjunction with the Lucas County Planning Commission, jointly appoint the Director, who oversees a staff of fifteen and represents the Toledo City Plan Commission in public hearings before Toledo City Council. In addition, under an agreement between the two Commissions, the Chair and Vice Chair of the City Plan Commission also serve in this capacity on the Lucas County Planning Commission.

In 2004, the Toledo City Plan Commission and Toledo City Council adopted a new Planning and Zoning Code for the City of Toledo. This Code represents the first comprehensive revisions to the City's planning and zoning laws since 1959. The new Code was designed to promote the redevelopment of older residential, commercial and industrial areas of the City, while recognizing that Toledo has newer "suburban-style" development due to annexation in the post-World War II era.

Among the unique features of the new Code is a series of commercial building design standards that will improve the appearance of structures along the City's main commercial corridors. These design standards were developed and unanimously approved by a committee representing diverse interests including developers, architects, real estate attorneys, community organizations, and preservation groups. Suburban jurisdictions are using the Toledo design standards as a model for revision of their zoning codes.

The Toledo-Lucas County Plan Commissions staff exists to provide professional land use planning services to the elected and appointed officials of the City of Toledo. Our goal is to provide analysis and recommendations to insure the compatibility of adjoining land uses and the orderly development and redevelopment of the City of Toledo. A guiding principle in this effort is recognizing the need to promote economic development while protecting the City's residential districts that are key to the vitality of our City.

FINANCIAL INFORMATION

Internal Control: One of the primary objectives of the City's Accounting System is the maintenance of adequate internal controls. The internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. Another goal is the reliability of the financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets. The City has developed the concept of reasonable assurance to recognize that the cost of controls should not exceed the benefits likely to be derived. Finally, it recognizes that the evaluation of relative control costs and benefits requires management's judgment.

Dollar Amounts in Thousands

Budgetary Controls: The City of Toledo maintains budgetary controls in conformity with the Ohio Revised Code. The budgetary process commences with the submission of a Certificate of Estimated Revenue and Expenditures for the upcoming year to the County Budget Commission no later than October 31 of the current year.

The City uses the "Certificate" and departmental requests to prepare the Mayor's Estimates. This Executive Budget is presented to City Council as required by law every November. In December, City Council approves a temporary spending measure for the upcoming year, providing spending authority until an Annual Budget is approved but no later than March 31, of the ensuing year. The amount of the temporary spending measure is limited to 25% of the County Budget Commission's "Certificate of Estimated Resources," based on the July Tax Budget.

The Finance Committee of City Council immediately commences a review of the Mayor's Estimates upon approval of the temporary spending measure, conducts hearings with the various Divisions and makes various adjustments. These revised estimates are then presented by the Finance Committee to City Council which may make final changes that are incorporated into an Approved Budget.

Legislation summarizing these detailed budgets at the organizational level for personal service and other costs is then approved by City Council as required by law by March 31. Finally, the Approved Budget is submitted to the County Budget Commission to demonstrate compliance with the "Certificate of Estimated Resources."

Management exercises accounting and legal control over the budget process at various levels. Accounting control is maintained at a level of detail much greater than required by ordinance. Expenditures are controlled by organization at the line item account level. The control system is also designed to measure both expenditure and encumbrance activity and preclude approval of any activity that exceeds appropriations at the lowest managerial level of control. When these circumstances occur, management is required to either process necessary administrative budget adjustments, or present legislation as appropriate under the circumstances.

The City prepares a Special Budgetary Comparison Report that compares the level of appropriation authority to the County Budget Commission's "Certificate of Estimated Resources" to demonstrate its legal compliance. In addition, the "Certificate of Estimated Resources" is also compared on a regular and recurring basis to the estimated revenues of the City to identify additional estimated resources. When this occurs, the City prepares and submits an Amended Certificate of Estimated Resources to the County Budget Commission for approval to provide the necessary additional legal spending authority of these resources.

The Finance Department monitors the budget throughout the year with a Quarterly Budget Status Reporting System. This system measures budgeted activity with actual, and on a periodic basis is used to supplement or reduce appropriations upon proper legislative authority. These changes are incorporated in the accounting system and integrated into the accounting and compliance process.

Dollar Amounts in Thousands

Debt Administration: The City of Toledo has followed a judicious policy of issuing debt for a variety of projects. Every effort is made to find the optimal funding source for each project. Cash is considered to be the primary choice. The City used Grants, Loans, Lease Financing, Revenue Debt and General Obligation Debt when cash was not available. Although the full faith and credit of the City is pledged to repay General Obligation Debt, other revenues (from the funded project) are used when available.

At December 31, 2003, the City had a number of debt issues outstanding. These issues included \$140,979 of General Obligation Bonds and Notes. Of this, \$12,325 is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy and \$30,984 is supported by other revenue sources. In addition, the City also had outstanding \$119,430 of Revenue Debt and \$31,500 of Special Revenue Notes.

The City's General Obligation Note Program continued on a competitive bid basis for unenhanced and unrated notes. Currently, \$8,555 of notes are outstanding bearing interest of 1.6%.

In 1996, a change was made in the method of funding for the Assessed Services Program. Although still using credit enhancement to reduce interest rates, the City is using a Variable Note Program with weekly interest rate resets instead of the usual six month or twelve month rates. The 2003 program was funded in the same manner. This has reduced financing costs. In July, the City fixed the interest rate for the 2001 program at 1.79% by entering into an interest rate exchange with Bank One.

Under the Ohio Revised Code, the City's non-exempt debt issuances (that debt which cannot be excluded from the limits because funding is provided from other sources) are subject to certain legal limits based on assessed valuation. The City's non-exempt debt of \$125,978 is well below the limits of \$242,638 of unvoted direct debt and \$463,217 of direct debt.

During 2003, the City bond ratings with Standard & Poor's rating was reaffirmed at "A," and Moody's Investors Service at "A3."

Cash Management: Cash temporarily idle during the year was invested in certificates of deposit, the State Treasurer's Investment Pool and securities issued by the U.S. Treasury, several Government Agencies/Instrumentalities and the City in compliance with the City's codified investment policy. The City's investment policy stresses minimizing credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all funds on deposit with a financial institution were either insured by federal deposit insurance or collateralized. All collateral for deposits was held in the City of Toledo's name by a financial institution acting as the City's Custodian, or by a third party trustee in a collateral pool.

The average yield on investments for 2003 was 2.1%. The City's investment performance compares favorably with the average yield on twelve month U.S. Treasury securities at 2.0%. The City earned interest income of \$5,952 on all investments for the year ending December 31, 2003. With the exception of the State Treasurer's Investment Pool, which is treated separately, virtually all of the investments held by the City during the year and at the end of the year have been classified in the category of lowest risk as defined by the Governmental Accounting Standards Board.

Risk Management: The City passed a resolution in 1984 to apply the risk management process to accidental and financial losses. It defined that process as a systematic and continuous identification of loss exposures and analysis for frequency and severity probabilities. Further, this process would include the application of sound risk control procedures and financing of risk consistent with the City's available financial resources. The cost of financing risk internally through deductibles or self-insurance is then allocated to the appropriate funds and organizations within the City.

The Administration has implemented a risk management program through a full-time risk management commissioner, workers' compensation manager, loss control specialists and the Joint Union and Management Safety and Health Committee. The responsibility of the risk management officer includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognitive of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration knows that risk management is a "grounds-up" issue involving its employees, encourages participation and involvement. As with the JUMSHC, the T.E.A.M.S. approach provides employees a means to interact with the Administration on issues of safety while providing a forum to identify ways to reduce operational costs and enhance services to the citizens.

While the Ohio General Assembly passed several pieces of legislation to restore and afford limited sovereign immunity to political subdivisions and to provide for alternative financial payment in the form of annuity type payments, the areas of particular concern to the city's risk management program are the liability exposures and utilization of various transfer techniques, civil rights and discrimination litigation, court judgments and claims settlements, and the availability of excess liability insurance coverage. The Administration continues its commitment to limiting exposures where possible and optimizing coverage when feasible in recognition of its stewardship responsibilities.

The City continued during 2003 to participate in the State "Retrospective Rated Workers' Compensation Plan" as authorized by City Council in 1990. For each individual year of participation, the City pays a basic portion of workers' compensation premium and thereafter the costs for employee claims as they are incurred, subject to the plan's individual claim cost limitation and the City premium limitation. At the end of each individual ten-year period, a determination of retrospective premium is made and payment remitted to the State and the plan for that year is terminated. Policy years 1990, 1991 and 1992 are now terminated and payment has been remitted to the State. During 2002 and 2003, the Administration retained an independent actuary to perform an actuarial analysis of the Workers' Compensation Fund to assure financial integrity of the Fund.

OTHER INFORMATION

Independent Audit: The City of Toledo, with the approval of the Auditor of the State of Ohio, engaged the accounting firm of Clifton Gunderson LLP, to conduct its annual audit. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in government auditing standards. Additionally, for the seventeenth consecutive year, it also included the additional procedures necessary to meet the requirements of the Single Audit Act of 1984, as amended in 1996, the related Office of Management and Budget Circular A-133, and the requirements of the Auditor of the State of Ohio for legal compliance purposes. The Auditor's report on the basic financial statements and combining statements and schedules is included in the financial section of this report. The Auditors have issued an unqualified report on the City's 2003 basic financial statements.

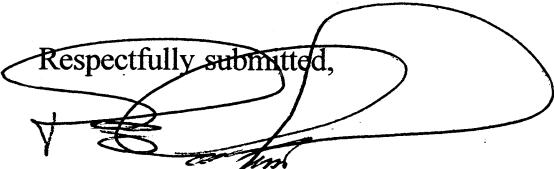
Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2002. This is the nineteenth year since 1982 that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current year comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA.

Acknowledgements: The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated service of the Division of Accounts. Our appreciation is also extended to the entire Department of Finance and the various other departments whose cooperative efforts during the course of this report's preparation made possible its completion on a timely basis.

In closing, we would like to thank the Mayor and Members of Council for their continued leadership and support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "T S Crothers".

Thomas S. Crothers
Acting Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

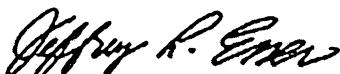
City of Toledo,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President



Executive Director

**CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS**

MAYOR

JACK M. FORD

MEMBERS OF COUNCIL

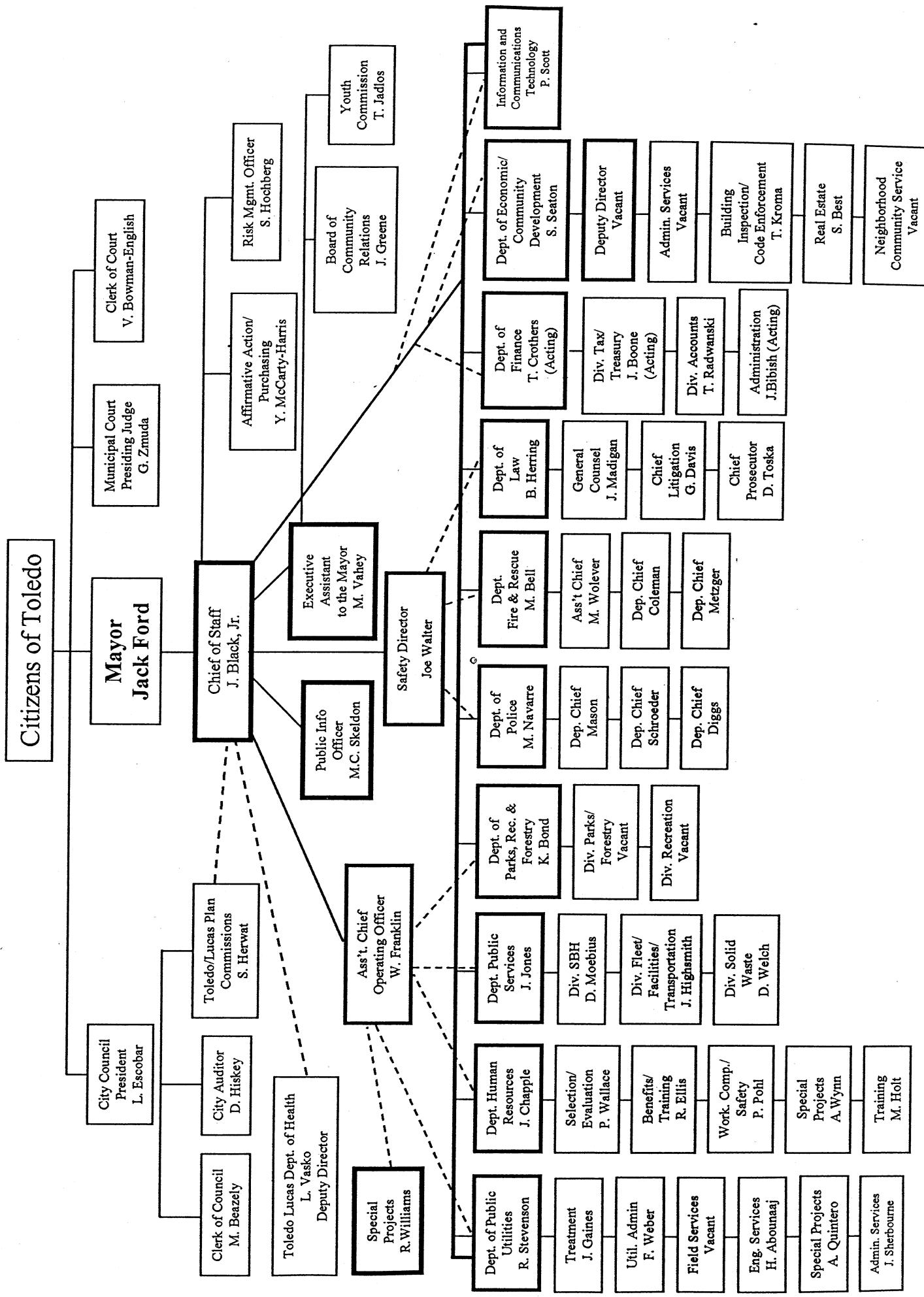
<u>NAME</u>	<u>LENGTH OF SERVICE</u>
<u>At-Large Seats</u>	
Louis P. Escobar, President	Six Years
Betty Shultz	Ten Years
Peter Gerken	Seven Years, Seven Months
George Sarantou	Two Years
Karyn McConnell	Ten Months
Francis J. Szollosi	One Year
<u>District Seats</u>	
1. Wilma D. Brown (West-Central)	Six Years
2. Rob Ludeman (South-West)	Ten Years
3. Robert McCloskey (East Toledo-Historic South)	Ten Years
4. Michael Ashford (Central City)	Two Years
5. Ellen M. Gracheck (North-West)	One Year
6. Wade Kapszukiewicz (North Toledo-Point Place)	Five Years

CLERK OF COUNCIL

Michael J. Beazley

City of Toledo Executive Management Team

Revised Data as of 3/12/04



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FINANCIAL SECTION



Certified Public Accountants & Consultants

Independent Auditor's Report

The Honorable Mayor Jack M. Ford
and Members of City Council
City of Toledo
Toledo, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Toledo, Ohio, as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Toledo's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2004 on our consideration of the City of Toledo's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The Honorable Mayor Jack M. Ford
and Members of City Council
City of Toledo
Page 2

Management's discussion and analysis and budgetary comparison on pages F5 through F16 and F85 through F87 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Toledo's basic financial statements. The introductory section combining and individual nonmajor fund financial statements, and statistical tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Toledo, Ohio
June 4, 2004

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CITY OF TOLEDO, OHIO

Management's Discussion and Analysis

As management of the City of Toledo, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The general fund reported a fund balance of \$13 million at the end of the current fiscal year. There was a \$3 million decrease in the total general fund balance for the year ended December 31, 2003.
- The assets of the City of Toledo exceeded its governmental activities liabilities at the close of 2003 by \$659 million. Of this amount, \$(75) million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$(11) million. The unrestricted net assets of the City's business type activities are \$(65). Included in governmental activities liabilities in the Statement of Net Assets in the Other Debt totaling \$252 million is debt for pensions in the amount of \$12 million. This debt is supported by a separate property tax voted by the citizens of the City to fund the initial pension costs of the City's safety forces in the Ohio Police and Fire Pension Fund. The funds to be received for the debt on those pensions are sufficient to pay the net future debt payments but are not included in Taxes Receivable on the Statement of Net Assets.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$38 million. The combined governmental funds fund balance decreased \$3 million from the prior year's ending fund balance. Approximately \$(2) million of the \$38 million fund balance is considered unreserved at December 31, 2003.
- The City's total debt increased by \$32 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public service, public safety, public utilities, community environment, health, and parks and recreation. The business-type activities of the City include two enterprise activities: water and sanitary sewer funds.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Toledo maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the special assessment services fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Toledo adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages F-24 through F-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer, and utility administrative services as well as parking, property management, and small business development. *Internal service funds* are an accounting devise used to accumulate and allocate costs internally among the City's various functions including, municipal garage, capital replacement, storeroom and printshop, data processing, risk management and worker's compensation activities. Because the services provided by these funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provided separate information for water and sanitary sewer operations, both of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages F-30 through F-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page F-38 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-39 through F-81 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages F-83 through F-86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages F-87 through F-173 of this report.

Table 1:

City of Toledo Net Assets (amounts expressed in thousands)									
	Governmental activities			Business-type activities			Total		
	2003	2002	Increase/ (Decrease)	2003	2002	Increase/ (Decrease)	2003	2002	Increase/ (Decrease)
Current and other assets	\$182,497	\$185,801	(\$3,304)	\$257,859	\$223,807	\$34,052	\$440,356	\$409,608	\$30,748
Capital assets	414,954	399,032	15,922	402,648	394,140	8,508	817,602	793,172	24,430
<i>Total Assets</i>	<i>\$597,451</i>	<i>\$584,833</i>	<i>\$12,618</i>	<i>\$660,507</i>	<i>\$617,947</i>	<i>\$42,560</i>	<i>\$1,257,958</i>	<i>\$1,202,780</i>	<i>\$55,178</i>
Long-term liabilities outstanding	220,598	203,862	16,736	184,129	156,977	27,152	404,727	360,839	43,888
Other liabilities	80,711	91,803	(11,092)	120,126	113,170	6,956	200,837	204,973	(4,136)
<i>Total liabilities</i>	<i>\$301,309</i>	<i>\$295,665</i>	<i>\$5,644</i>	<i>\$304,255</i>	<i>\$270,147</i>	<i>\$34,108</i>	<i>\$605,564</i>	<i>\$565,812</i>	<i>\$39,752</i>
<i>Net assets</i>	<i>\$296,142</i>	<i>\$289,168</i>	<i>\$6,974</i>	<i>\$356,252</i>	<i>\$347,800</i>	<i>\$8,452</i>	<i>\$652,394</i>	<i>\$636,968</i>	<i>\$15,426</i>
Invested in capital assets, net of related debt	248,832	231,662	17,170	254,276	226,407	27,869	503,108	458,069	45,039
Restricted	59,685	68,428	(8,743)	164,930	117,988	46,942	224,615	186,416	38,199
Unrestricted	(12,375)	(10,922)	(1,453)	(62,954)	3,405	(66,359)	(75,329)	(7,517)	(67,812)
<i>Total net assets</i>	<i>\$296,142</i>	<i>\$289,168</i>	<i>\$6,974</i>	<i>\$356,252</i>	<i>\$347,800</i>	<i>\$8,452</i>	<i>\$652,394</i>	<i>\$636,968</i>	<i>\$15,426</i>

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position (See Table 1). The City's assets exceeded liabilities by \$652 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (78 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (33 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets is \$(75.0) million. The net assets of the City's business-type activities may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$12 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2003. Comparison data for 2002 is provided for reference purposes. The City's financial position improved for both governmental-type and business-type activities.

Table 2:

City of Toledo Changes in Net Assets (amounts expressed in thousands)									
	Governmental Activities		Increase/ (Decrease)	Business-type Activities		Increase/ (Decrease)	Total 2002	Total 2003	Increase/ (Decrease)
	2002	2003		2002	2003				
Revenues:									
Program Revenues:									
Charges for Services	\$34,286	\$38,612	\$4,326	\$85,901	\$86,642	\$741	\$120,187	\$125,254	\$5,067
Operating Grants and Contributions	59,396	54,155	(5,241)	1,585	-	(1,585)	60,981	54,155	(6,826)
Capital grants	9,267	16,172	6,905	-	1,577	1,577	9,267	17,749	8,482
General Revenues:									
Income taxes	153,965	155,112	1,147	-	-	-	153,965	155,112	1,147
Property taxes	30,948	19,794	(11,154)	-	-	-	30,948	19,794	(11,154)
Investment Earnings	4,654	3,260	(1,394)	3,249	2,692	(557)	7,903	5,952	(1,951)
Other	2,970	3,204	234	19	(3,286)	(3,305)	2,989	(82)	(3,071)
Total Revenues	\$295,486	\$290,309	\$(5,177)	\$90,754	\$87,625	\$(3,129)	\$386,240	\$377,934	\$(8,306)
Expenses:									
General government	\$27,694	\$26,790	\$(904)	-	-	-	\$27,694	\$26,790	\$(904)
Public Service	42,036	45,757	3,721	-	-	-	42,036	45,757	3,721
Public Safety	142,256	148,446	6,190	-	-	-	142,256	148,446	6,190
Public Utilities	1,143	1,085	(58)	-	-	-	1,143	1,085	(58)
Community Environment	23,240	19,465	(3,775)	-	-	-	23,240	19,465	(3,775)
Health	16,490	17,347	857	-	-	-	16,490	17,347	857
Parks, Recreation	7,834	7,488	(346)	-	-	-	7,834	7,488	(346)
Interest on Fiscal Charges	15,679	16,437	758	9,520	-	(9,520)	25,199	16,437	(8,762)
Water	-	-	-	25,396	28,211	2,815	25,396	28,211	2,815
Sewer	-	-	-	34,569	36,285	1,716	34,569	36,285	1,716
Other Enterprise Funds	-	-	-	12,200	15,196	2,996	12,200	15,196	2,996
Total Expenses	\$276,372	\$282,815	\$6,443	\$81,685	\$79,692	\$(1,993)	\$358,057	\$362,507	\$4,450
Increase in net assets before transfers	19,114	7,494	(11,620)	9,069	7,933	(1,136)	\$28,183	15,427	(12,756)
Transfers	(2,482)	(519)	1,963	2,482	519	(1,963)	-	-	-
Increase in net assets	16,632	6,975	(9,657)	11,551	8,452	(3,099)	\$28,183	15,427	(12,756)
Net asset – January 1st	\$272,536	\$289,168	\$16,632	\$336,249	\$347,800	\$11,551	\$608,785	\$636,968	\$28,183
Net asset – December 31st	\$289,168	\$296,143	\$6,975	\$347,800	\$356,252	\$8,452	\$636,968	\$652,395	\$15,427

Governmental activities. Public Safety accounts for \$148,446 of the \$282,815 total expenses for governmental activities, or 53% of total expenses. The next largest program is Public Service, accounting for \$45,757 representing 16% of total governmental expenses.

Income tax revenue accounts for \$155,112 of the \$290,309 total revenue for governmental activity, or 53% of total revenue. Property taxes and Assessments account for \$19,794 or 7% of total revenue and Grants of \$70,327 account for 24% of total governmental revenue.

The City's charges for services made up \$38,612 or 13% of total governmental revenue. These charges are for user fees, fines and forfeitures, and licenses and permits associated with building inspection.

Business-type activities. The net assets for the business-type activities for the City increased by \$6,900 during the year 2003. Major revenue sources were charges for service of \$86,642.

- Charges for services remained constant offset by a total decrease in investment earnings and other revenue of approximately \$1 million.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2003, the City's governmental funds reported combined ending fund balances of \$38 million, a decrease of \$3 million in comparison with the prior year. Approximately \$(2) million of this amount constitutes *unreserved fund balance*, that is mainly due to Special Assessment Fund deferred revenue. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable.

The general fund is the chief operating fund of the City. At December 31, 2003, total fund balance was \$13 million.

The fund balance of the City's general fund decreased by \$3 million during 2003. Key factors in this decline are as follows:

- Revenues decreased \$1.3 million or .6 percent. Expenditures decreased by \$6 million or 3.1 percent and the City utilized \$2.4 million of its Budget Stabilization Reserve.
- The decrease in revenues is attributed to a minimal increase in income tax revenues for 2003 and a decrease in investment earnings and other revenue. This was somewhat offset by an increase in fines and forfeitures. Investment earnings decreased by \$1 million while Public Safety costs decreased by \$1.8 million.

The capital improvements fund has a total fund balance of \$44 million. The net increase in fund balance during 2003 in this fund was approximately \$3 million.

The special assessment services fund has a total fund balance of \$(35) million. The net decrease in fund balance during 2003 in this fund was approximately \$3 million. Receivables of \$41 million for Special Assessments are offset by the same amount of Deferred Revenue.

Enterprise funds. The City's enterprise funds provide the same information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$(48) million and unrestricted net assets for the Sewer System was \$(31) million. The total change in net assets for these were \$6 million and \$2 million respectively.

The Water fund maintained all significant ratios including a Current Ratio of 2.29, Debt to Net Worth of .98, Long Term Debt to Total Capitalization of .34, and Debt Service Coverage Ratio of 1.67.

The Sewer fund maintained its significant ratios including Current Ratio of 1.28, Debt to Net Worth of .6, Long Term Debt to Total Capitalization of .33, and Debt Service Coverage Ratio of 1.29.

Water revenue decreased 4 percent to \$31.9 million reflective of a moist summer and water conservation practices. Operating expenses for the water utility increased 2 percent largely due to increased contractual services and depreciation expenses.

Sewer revenue increased only 2 percent due to winter averaging and an economic slowdown. At the same time operating expenditures in the sewer utility decreased 2 percent due to a decrease in contractual services and expenditures for materials and supplies.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriation of approximately \$1 million less than the original budget. The total original appropriations, including those for transfers out, were \$225 million, while the final appropriations were \$224 million. The decrease of approximately \$1 million was due to adjustments to operating expenses and other cost-cutting moves.

The following schedule presents a summary of General Fund revenues for the year ended December 31, 2003, and the amount and percentage of increases and decreases in relation to prior year revenues. Amounts shown in thousands.

Table 3:

Revenues and Other Financing Sources	2003 Amount	% of Total	Increase (Decrease) from 2002	Percent Increase (Decrease)
Income Taxes	\$155,112	70.7	\$1,147	0.74
Property Taxes	15,223	7.0	(214)	(1.40)
Licenses & Permits	2,142	1.0	184	9.40
Intergovernmental Services	23,030	10.5	(1,128)	(4.67)
Charges for Services	12,791	5.8	188	1.49
Investment Earnings	1,619	.8	(1,286)	(44.27)
Fines and Forfeitures	3,569	1.6	427	13.59
All Other Revenues	849	.4	(614)	(41.97)
Other Financing Sources and Transfers In	5,177	2.2	(5,119)	(49.72)
Total Revenues & Other Financing Sources	\$219,512	100.0	\$(6,415)	(2.84)

Municipal Income Tax revenue increased .74% in 2003 from 2002. The increase can be attributed primarily to the fact that economic conditions in 2003 improved somewhat over 2002.

The decrease in the Property Tax was due to a change in collection procedures by Lucas County which is the agency responsible for collections. The decline in Investment Earnings is a direct result of reduced interest rates. Most other revenue sources showed modest declines, also reflecting slower economic activity. Other financing sources decreased due to the fact that last year's increase was due to a one-time only rebate from the Workers' Compensation Fund.

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2003 and the percentage of increases and decreases in relation to prior year's amounts. Amounts in thousands.

Table 4:

Expenditures and Other Uses	2003 Amount	% of Total	Increase (Decrease) from 2002	Percent Increase (Decrease)
General Government	\$18,649	8.4	\$(1,418)	(7.07)
Public Service	1,729	.8	(115)	(6.24)
Public Safety	140,380	63.0	(1,842)	(1.30)
Community Environment	4,791	2.0	(1,168)	(19.60)
Health	13,890	6.2	(503)	(3.49)
Parks & Recreation	4,409	2.0	(306)	(6.49)
Capital Outlay	641	.3	(8)	(1.23)
Principal Retirement	1,823	.9	(243)	(11.76)
Interest & Fiscal Charges	1,325	.6	(389)	(22.70)
Other Financing Uses and Transfers Out	35,272	15.8	665	2.00
Total	\$222,909	100.0	\$(5,327)	2.30

The decrease in General Government is due to reduced costs in personal services, supplies and professional services. The decrease in Community Environment is due to reductions in personal services caused by attrition. The decrease in Health relates to decreased costs in personal services, supplies and professional services. The decrease in Principal Retirement is due to the reduction of costs associated with the Government Center paid from CIP Funds.

General Fund Equity: Total fund equity in the general fund amounts to \$13,420 of which \$257 is reserved for encumbrances, \$805 is reserved for inventories and \$533 reserved for subsequent years activity, and \$2,965 is reserved for landfill remediation.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. In 2003, the City utilized \$2.35 million of the \$11.2 million balance in that Designation to cover certain unexpected shortfalls and expenditures. As a result, the Designation decreased to \$8.8 million at December 31, 2003. The City does expect to utilize moneys in the Budget Stabilization Designation for expenditures in 2004, and, consistent with its policy of adding to the Designation set forth in an ordinance passed by the Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual General Fund revenues exceed actual annual General Fund expenditures.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2003, amounts to \$818 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City's investment in capital assets for 2003 was 3 percent (a 4 percent increase for governmental activities and a 2 percent increase for business-type activities).

Table 5:

City of Toledo Capital Assets, net of depreciation. (amounts expressed in thousands)						
	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$24,781	\$24,781	\$10,637	\$10,637	\$35,418	\$35,418
Buildings	19,345	22,326	31,180	39,448	50,525	61,774
Improvements other than buildings	28,446	28,273	30,925	33,533	59,371	61,806
Machinery and equipment	22,835	23,274	47,139	50,256	69,974	73,530
Infrastructure	305,226	286,927	176,991	179,511	482,217	466,438
Construction in progress	-	-	105,780	80,755	105,780	80,755
Total	\$400,633	\$385,581	\$402,652	\$394,140	\$803,285	\$779,721

Governmental activities capital assets are exclusive of Internal Service Fund capital assets of \$14 million (net of accumulated depreciation) as of December 31, 2003. The Internal Service Fund capital assets are, however, included as governmental activities in the statement of net assets.

Major capital asset events during 2003 included the following:

- Total capital assets, net of accumulated depreciation, increased \$24 million.
- Business-type activity capital assets increased by \$9 million.
- Governmental activity capital assets increased by \$15 million.

Additional information on the City's capital assets can be found in Note 7 on pages F-61 through F-62 of this report.

Long-term debt. At December 31, 2003, the City, the primary government, had \$448 million of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$132 million and \$8 million respectively. All assessment bonds issued by the City are also general obligation bonds and are included herein. The remainder of the City's debt represents bonds secured by specified revenue sources (i.e. revenue bonds) and other sources of the City.

Table 6:

City of Toledo General Obligation and Revenue Bonds Outstanding (amounts expressed in thousands)						
	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds						
And notes	\$114,306	\$115,633	\$26,673	\$27,574	\$140,979	\$143,207
Revenue bonds and notes	31,500	31,900	119,430	88,937	150,930	120,837
Total	\$145,806	\$147,533	\$146,103	\$116,511	\$291,909	\$264,044

Total long-term bonds and loans outstanding at December 31, 2003 increased over December 31, 2002 according to plan.

The City is rated A by Standard & Poor's Corporation and A3 by Moody's Investor Services.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2003 the City's total net debt amounted to 7 % of the total assessed value of all property within the City. Unvoted net debt amounted to 2 % of the total assessed value of all property within the City. The City had a legal debt margin for total debt of \$ 115,862 and a legal debt margin for unvoted debt of \$ 336,441. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Toledo lies, is limited to 10 mills. This millage is measured against the property values in each overlapping district.

Additional information regarding the City's long-term debt can be found in Note 8 on pages F63 through F-73 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2004 budget. The events of September 11, 2001 and the impact of those events on the economy had a significant influence on the objectives that the City set for the 2004 budget: jobs, safety and long-term fiscal stability. With the uncertainty surrounding the economy, the City considered the impact on two primary revenue sources: income tax revenue and state shared revenue. City Council decided that it was important to: 1) continue the City's investment in job creation; 2) put the highest premium on safety for the people of Toledo and City employees; and 3) adopt a budget designed to promote long-term fiscal stability and maintain budget reserves. In order to meet the objectives of the 2004 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources. The total General Fund budget amounts to \$ 228 million.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 1 Government Center., Suite 2020, Toledo, OH 43604.

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BASIC FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash	\$ 36,780	\$ 24,425	\$ 61,205
Other Cash	128	74	202
Investments	31,745	126,118	157,863
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	33,769	---	33,769
Accounts	7,912	14,774	22,686
Special Assessments	43,433	---	43,433
Notes	480	20,240	20,720
Interfund Receivable	23,330	65,787	89,117
Due from Other Governments	---	165	165
Prepays	268	275	543
Inventory of Supplies	4,292	2,847	7,139
Capital Assets not being Depreciated	25,131	116,417	141,548
Capital Assets being Depreciated (net)	389,823	286,231	676,054
Deferred Debt Issuance Cost	<u>360</u>	<u>3,154</u>	<u>3,514</u>
Total Assets	<u>\$ 597,451</u>	<u>\$ 660,507</u>	<u>\$1,257,958</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 7,480	\$ 2,791	\$ 10,271
Escrow	15,214	12,708	27,922
Retainages	746	1,259	2,005
Interfund Payable	---	89,122	89,122
Due to Other Governments	92	322	414
Other Current Liabilities	17,253	1,891	19,144
Other Debt:			
Due within One Year	39,927	12,033	51,960
Due in More Than One Year	<u>220,597</u>	<u>184,129</u>	<u>404,726</u>
Total Liabilities	301,309	304,255	605,564
NET ASSETS			
Invested in capital assets, net of related debt	248,832	254,276	503,108
Restricted for:			
Special Assessments	342	---	342
Debt Service	---	9,606	9,606
Replacement	---	70,764	70,764
Capital Improvements	44,163	84,560	128,723
Special Revenue	14,464	---	14,464
Permanent Fund	716	---	716
Unrestricted	<u>(12,375)</u>	<u>(62,954)</u>	<u>(75,329)</u>
Total Net Assets	<u>\$ 296,142</u>	<u>\$ 356,252</u>	<u>\$ 652,394</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003
(Amounts in Thousands)

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 26,790	\$ 31,181	\$ 31,975	\$ 193	\$ 36,559	\$ --	\$ 36,559
Public Service	45,757	30	53	1,899	(43,775)	--	(43,775)
Public Safety	148,446	3,501	5,482	--	(139,463)	--	(139,463)
Public Utilities	1,085	--	--	--	(1,085)	--	(1,085)
Community Environment	19,465	2,673	15,249	14,080	12,537	--	12,537
Health	17,347	862	1,396	--	(15,089)	--	(15,089)
Parks and Recreation	7,488	365	--	--	(7,123)	--	(7,123)
Interest and Fiscal Charges	16,437	--	--	--	(16,437)	--	(16,437)
Total Primary Government	\$ 362,507	\$ 125,254	\$ 54,155	\$ 16,172	\$ (173,876)	\$ --	\$ (173,876)
Business-Type Activities:							
Water	28,211	32,578	--	--	4,367	--	4,367
Sever	36,285	35,370	--	1,577	--	662	662
Storm Utility	4,192	8,315	--	--	4,123	--	4,123
Utilities Administration	7,958	8,085	--	--	127	--	127
Parking	1,204	1,356	--	--	152	--	152
Property Management	1,787	886	--	--	(901)	--	(901)
Small Business Development	5	52	--	--	(3)	--	(3)
Total Business-Type Activities	\$ 79,692	\$ 86,642	--	1,577	--	\$ 8,527	\$ 8,527
Total Primary Government	\$ 362,507	\$ 125,254	\$ 54,155	\$ 17,149	\$ (173,876)	\$ 8,527	\$ (165,349)
General Revenues:							
Income Taxes					155,112	--	155,112
Property Taxes					19,794	--	19,794
Unrestricted Investments Earnings					3,260	2,692	5,952
Miscellaneous/Gain on Sale of Capital Assets					3,204	(3,286)	(82)
Transfers					(519)	519	--
Total General Revenues, Special Items and Transfers	\$ 180,851						\$ 180,776
Changes in Net Assets							
Net Assets - Beginning					6,975	8,452	15,427
Net Assets - Ending					289,168	347,850	636,968
					\$ 296,143	\$ 356,252	\$ 652,395

The notes to the financial statements are an integral part of this statement

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CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
ASSETS			
Equity in Pooled Cash	\$ 1,853	\$ 606	\$ 162
Other Cash	127	---	---
Investments	3,080	19,678	3,249
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	33,769	---	---
Accounts	2,319	2,380	14
Special Assessments	---	---	41,017
Notes	---	---	---
Interfund Receivable	11,626	27,732	680
Prepays	---	192	---
Inventory of Supplies	805	1,006	1,228
Total Assets	<u>\$ 53,579</u>	<u>\$ 51,594</u>	<u>\$ 46,350</u>
LIABILITIES			
Accounts Payable	2,725	1,929	345
Escrow	11,884	2,174	680
Retainages	---	719	---
Interfund Payable	6,615	---	8,179
Due to Other Governments	---	---	90
Deferred Revenue	17,228	---	41,017
Other Current Liabilities	1,707	---	---
Debt:			
Notes Payable	---	2,300	31,500
Total Liabilities	<u>\$ 40,159</u>	<u>\$ 7,122</u>	<u>\$ 81,811</u>
FUND BALANCES			
Fund Balances (Deficit):			
Reserved for Encumbrances	257	12,028	145
Reserved for Inventory of Supplies	805	1,006	1,228
Reserved for Capital Improvements	---	15,489	---
Reserved for Long-Term Notes Receivable	---	---	---
Reserved for Debt Service	---	---	---
Reserved for Prepays	---	192	---
Reserved for Landfill Remediation	2,965	---	---
Reserved for Improvement	---	---	---
Unreserved, Reported In:			
General Fund—Designated for Future Years' Expenditures	533	---	---
General Fund—Designated for Budget Stabilization	8,860	---	---
Capital Improvements	---	13,900	---
Special Assessments	---	---	(36,834)
Other Governmental	---	1,857	---
Total Fund Balances	<u>13,420</u>	<u>44,472</u>	<u>(35,461)</u>
Total Liabilities and Fund Balance	<u>\$ 53,579</u>	<u>\$ 51,594</u>	<u>\$ 46,350</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Equity in Pooled Cash	\$ 13,209	\$ 15,830
Other Cash	1	128
Investments	3,581	29,588
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	---	33,769
Accounts	3,142	7,855
Special Assessments	2,416	43,433
Notes	480	480
Interfund Receivable	---	40,038
Prepays	---	192
Inventory of Supplies	<u>537</u>	<u>3,576</u>
Total Assets	<u>\$ 23,366</u>	<u>\$ 174,889</u>
LIABILITIES		
Accounts Payable	1,788	6,787
Escrow	476	15,214
Retainages	27	746
Interfund Payable	1,376	16,170
Due to Other Governments	2	92
Deferred Revenue	2,417	60,662
Other Current Liabilities	1	1,708
Debt:		
Notes Payable	1,585	35,385
Total Liabilities	<u>\$ 7,672</u>	<u>\$ 136,764</u>
FUND BALANCES		
Fund Balances (Deficit):		
Reserved for Encumbrances	5,231	17,661
Reserved for Inventory of Supplies	533	3,572
Reserved for Capital Improvements	---	15,489
Reserved for Long-Term Notes Receivable	519	519
Reserved for Debt Service	29	29
Reserved for Prepays	---	192
Reserved for Landfill Remediation	---	2,965
Reserved for Improvement	---	---
Unreserved, Reported In:		
General Fund-Desigated for Future Years' Expenditures	---	533
General Fund-Desigated for Budget Stabilization	---	8,860
Capital Improvements	---	13,900
Special Assessments	---	(36,834)
Other Governmental	<u>9,382</u>	<u>11,239</u>
Total Fund Balances	<u>15,694</u>	<u>38,125</u>
Total Liabilities and Fund Balance	<u>\$ 23,366</u>	<u>\$ 174,889</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

Total governmental fund balances	\$ 38,125
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	400,633
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of the net assets.	18,595
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.	361
Long-term liabilities, including bonds payable, OWDA loans, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported on the funds.	(222,231)
Special assessment tax revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements.	60,660
Net assets of government activities	<u>\$ 296,143</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Income Taxes	\$ 155,112	\$ ---	\$ ---	\$ ---	\$ 155,112
Property Taxes	15,223	---	---	---	15,223
Special Assessments	---	---	17,803	470	18,273
Licenses and Permits	2,142	---	---	3	2,145
Intergovernmental Services	23,030	18,313	(2)	28,986	70,327
Charges for Services	12,791	98	264	571	13,724
Investment Earnings	1,619	1,080	59	501	3,259
Fines and Forfeitures	3,569	---	---	518	4,087
All Other Revenue	849	626	3	1,998	3,476
Total Revenues	\$ 214,335	\$ 20,117	\$ 18,127	\$ 33,047	\$ 285,626
EXPENDITURES:					
Current:					
General Government	\$ 18,649	\$ ---	\$ 68	\$ 357	\$ 19,074
Public Service	1,729	---	19,024	9,508	30,261
Public Safety	140,380	---	---	2,970	143,350
Public Utilities	---	---	---	1,043	1,043
Community Environment	4,791	---	---	13,271	18,062
Health	13,890	---	583	1,767	16,240
Parks & Recreation	4,409	---	126	194	4,729
Capital Outlay	641	39,886	89	1,703	42,319
Debt Service:					
Principal Retirement	1,823	4,405	43	10,020	16,291
Interest & Fiscal Charges	1,325	2,681	859	4,447	9,312
Total Expenditures	\$ 187,637	\$ 46,972	\$ 20,792	\$ 45,280	\$ 300,681
Excess (Deficiency) of					
Revenues over Expenditures	26,698	(26,855)	(2,665)	(12,233)	(15,051)
Other Financing Sources (Uses):					
Transfers In	5,104	35,284	47	16,652	57,087
Transfers (Out)	(35,272)	(13,815)	---	(5,400)	(54,487)
Bond Proceeds	---	7,500	---	120	7,620
Premiums on Bonds	---	---	---	7	7
Note Proceeds	---	1,000	---	665	1,665
Sale of Capital Assets	73	---	---	18	91
TOTAL OTHER FINANCING SOURCES AND (USES)	\$ (30,095)	\$ 29,969	\$ 47	\$ 12,062	\$ 11,983
Net Change in Fund Balance	(3,397)	3,114	(2,618)	(171)	(3,072)
Fund Balances (Deficit) at					
Beginning of Year	16,807	41,332	(33,066)	15,865	40,938
Increase in Reserve for Inventory	10	26	223	---	259
Fund Balance (Deficit) at					
Year-End	\$ 13,420	\$ 44,472	\$ (35,461)	\$ 15,694	\$ 38,125

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

Net change in fund balances – total governmental funds \$ (3,072)

Change in Inventory 259

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 and reported as depreciation expense. This is the amount by which capital outlays (\$42,341) exceeded depreciation (\$27,289) in the current period.

15,052

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

4,571

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. Whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.

(2,637)

The net loss of certain activities of internal service funds is reported with governmental activities (includes \$1,552 of costs allocated from enterprise funds)

(7.198)

Change in net assets of governmental activities.

\$ 6,975

The notes to the financial statements are an integral part of this statement.

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CITY OF TOLEDO, OHIO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2003
(AMOUNTS IN THOUSAND)

Business-Type Activities – Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	Governmental Activities – Internal Service Funds
ASSETS					
Current Assets					
Equity in Pooled Cash	\$ 6,702	\$ 8,552	\$ 9,171	\$ 24,425	\$ 20,950
Other Cash	41	32	1	74	---
Investments	67,524	42,115	16,479	126,118	2,157
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	4,891	8,441	1,442	14,774	57
Notes	---	---	20,240	20,240	---
Interfund Receivables	42,879	22,908	---	65,787	---
Due from Other Governments	20	123	22	165	---
Prepaid Expenses	125	47	103	275	76
Inventory of Supplies	2,114	693	39	2,846	716
Total Current Assets	<u>124,296</u>	<u>82,911</u>	<u>47,497</u>	<u>254,704</u>	<u>23,956</u>
Property, Plant and Equipment					
Land	1,762	163	8,712	10,637	350
Buildings	13,829	32,747	28,849	75,425	1,111
Improvements	11,217	51,504	5,998	68,719	335
Machinery and Equipment	22,467	78,104	1,258	101,829	53,986
Furniture and Fixtures	405	948	617	1,970	99
Distribution System	114,476	223,688	---	338,164	---
Construction in Progress	33,394	65,531	6,855	105,780	---
Less: Accumulated Depreciation	<u>(76,163)</u>	<u>(211,477)</u>	<u>(12,236)</u>	<u>(299,876)</u>	<u>(41,560)</u>
Net Property, Plant, and Equipment	<u>121,387</u>	<u>241,208</u>	<u>40,053</u>	<u>402,648</u>	<u>14,321</u>
Other Assets:					
Deferred Debt Issuance Cost	<u>2,429</u>	<u>725</u>	<u>---</u>	<u>3,154</u>	<u>---</u>
Total Assets	<u>\$ 248,112</u>	<u>\$324,844</u>	<u>\$ 87,550</u>	<u>\$660,506</u>	<u>\$ 38,277</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2003
(AMOUNTS IN THOUSAND)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	Governmental Activities - Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 856	\$ 1,814	\$ 121	\$ 2,791	\$ 693
Escrow	6,112	6,561	35	12,708	---
Retainages	57	1,196	6	1,259	---
Interfund Payable	46,691	27,207	15,222	89,120	535
Due to Other Governments	238	84	---	322	---
Other Current Liabilities	<u>583</u>	<u>1,259</u>	<u>51</u>	<u>1,893</u>	<u>15,546</u>
Total Current Liabilities	<u>\$ 54,537</u>	<u>\$38,121</u>	<u>\$15,435</u>	<u>\$108,093</u>	<u>\$ 16,774</u>
Debt:					
Current Portion	4,305	6,366	1,362	12,033	---
Notes Payable	369	33,724	1,265	35,358	2,908
General Obligation Bonds Payable	---	---	27,773	27,773	---
Revenue Bonds Payable	65,281	45,962	---	111,243	---
Capital Lease Obligation	---	---	<u>9,754</u>	<u>9,754</u>	---
Total Long-Term Liabilities	<u>69,955</u>	<u>86,052</u>	<u>40,154</u>	<u>196,161</u>	<u>2,908</u>
Total Liabilities	<u>124,492</u>	<u>124,173</u>	<u>55,589</u>	<u>304,254</u>	<u>19,682</u>
NET ASSETS					
Invested in Capital Assets net of related debt:					
Reserved for Debt Service	78,817	175,560	(100)	254,277	11,415
Reserved for Replacement	5,306	4,194	106	9,606	---
Reserved for Improvement	39,145	28,593	3,026	70,764	1,999
Unrestricted	48,484	23,763	12,313	84,560	---
Total Net Assets	<u>(48,132)</u>	<u>(31,439)</u>	<u>16,616</u>	<u>(62,955)</u>	<u>5,181</u>
	<u>\$123,620</u>	<u>\$200,671</u>	<u>\$31,961</u>	<u>\$ 356,252</u>	<u>\$ 18,595</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TOLEDO, OHIO
PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSAND)**

Business-Type Activities – Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	Governmental Activities – Internal Service Funds
Operating Revenues:					
Charges for Services	\$ 31,942	\$ 35,069	\$ 17,783	\$ 84,794	\$ 15,659
Other Revenue	<u>526</u>	<u>119</u>	<u>873</u>	<u>1,518</u>	<u>274</u>
Total Operating Revenues	<u>32,468</u>	<u>35,188</u>	<u>18,656</u>	<u>86,312</u>	<u>15,933</u>
Operating Expenses:					
Personal Services	9,471	11,829	7,801	29,101	4,561
Contractual Services	6,797	8,142	3,185	18,124	6,910
Materials and Supplies	3,378	1,746	457	5,581	4,251
Utilities	2,128	2,306	99	4,533	64
Depreciation and Amortization	<u>3,365</u>	<u>8,969</u>	<u>1,303</u>	<u>13,637</u>	<u>2,963</u>
Total Operating Expenses	<u>25,139</u>	<u>32,992</u>	<u>12,845</u>	<u>70,976</u>	<u>18,749</u>
Operating Income (Loss)	<u>7,329</u>	<u>2,196</u>	<u>5,811</u>	<u>15,336</u>	<u>(2,816)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	1,154	725	814	2,693	31
Interest Expense and Fiscal Charges	(3,015)	(3,805)	(2,505)	(9,325)	(32)
Gain/Loss on Sale of Capital Assets	---	---	(4,614)	(4,614)	293
State Grants	---	2,348	854	3,202	---
Other Revenue (Expenses)	<u>---</u>	<u>---</u>	<u>(911)</u>	<u>(911)</u>	<u>---</u>
Total Non-Operating Revenues (Expenses)	<u>(1,861)</u>	<u>(732)</u>	<u>(6,362)</u>	<u>(8,955)</u>	<u>292</u>
Income (Loss) before Transfers	<u>5,468</u>	<u>1,464</u>	<u>(551)</u>	<u>6,381</u>	<u>(2,524)</u>
Transfers In	<u>65</u>	<u>76</u>	<u>931</u>	<u>1,072</u>	<u>3,865</u>
Transfers (Out)	<u>(13)</u>	<u>(16)</u>	<u>(524)</u>	<u>(553)</u>	<u>(6,986)</u>
Total Transfers In (Out)	<u>52</u>	<u>60</u>	<u>407</u>	<u>519</u>	<u>(3,121)</u>
Change in Net Assets	<u>5,520</u>	<u>1,524</u>	<u>(144)</u>	<u>6,900</u>	<u>(5,645)</u>
Net Assets at Beginning of Year	<u>118,100</u>	<u>199,147</u>	<u>32,105</u>		<u>24,240</u>
Net Assets at End of Year	<u>\$ 123,620</u>	<u>\$ 200,671</u>	<u>\$ 31,961</u>		<u>\$ 18,595</u>
Adjustment to consolidate the internal service fund activities					<u>1,552</u>
Total change in net assets of business-type activities					<u>\$ 8,452</u>

The notes to the financial statements are an integral part of this statement.

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**City of Toledo, Ohio
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousands)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity			
Receipts from Customers	\$32,704	\$ 33,175	\$ 19,806
Payments to Suppliers	(20,135)	(16,023)	(2,835)
Payments to Employees	(9,471)	(11,829)	(7,801)
Internal Activity	---	---	---
Other Payments	---	---	---
Net Cash Provided by (Used for) Operating Activity	<u>3,098</u>	<u>5,323</u>	<u>9,170</u>
Cash Flows from Noncapital Financing Activities			
Operating Transfers In	52	60	931
Operating Transfers Out	---	---	(524)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>52</u>	<u>60</u>	<u>407</u>
Cash Flows from Capital & Related Financing Activities:			
Acquisition and Construction of Capital Assets	(8,200)	(17,320)	(1,238)
Principal Paid on Bond Maturities	(16,336)	(5,594)	(2,006)
Issuance of Revenue Bonds and Notes	29,915	22,449	---
Interest Expense and Fiscal Charges	(3,015)	(3,805)	(2,507)
Proceeds from Sale of Capital Assets/Grants	---	2,348	(71)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>2,364</u>	<u>(1,922)</u>	<u>(5,822)</u>
Cash Flows from Investing Activities:			
(Purchase) of Investment Securities	(31,725)	(40,530)	(30,266)
Sale and Maturities of Investment Securities	19,708	34,163	27,713
Investment Earnings and Dividends on Investments	<u>1,153</u>	<u>725</u>	<u>812</u>
Net Cash Provided by (Used for) Investing Activities	<u>(10,864)</u>	<u>(5,642)</u>	<u>(1,741)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,350)</u>	<u>(2,181)</u>	<u>2,014</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>12,093</u>	<u>10,765</u>	<u>7,156</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 6,743</u>	<u>\$ 8,584</u>	<u>\$ 9,170</u>

The notes to the financial statements are an integral part of this statement.

City of Toledo, Ohio
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousands) (Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity		
Receipts from Customers	\$ 85,685	\$ 15,670
Payments to Suppliers	(38,993)	(9,485)
Payment to Employees	(29,101)	(4,560)
Internal Activity	---	---
Other Payments	---	<u>88</u>
 Net Cash Provided by (Used for) Operating Activity	<u>17,591</u>	<u>1,713</u>
 Cash Flows from Noncapital Financing Activities:		
Operating Transfers In	1,043	3,866
Operating Transfers Out	<u>(524)</u>	<u>(6,987)</u>
 Net Cash Provided by (Used for) Noncapital Financing Activities	<u>519</u>	<u>(3,121)</u>
 Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(26,758)	(3,778)
Principal Paid on Bond Maturities	(23,936)	(2,907)
Issuance of Revenue Bonds and Notes	52,364	5,810
Interest Expense and Fiscal Charges	(9,327)	(31)
Proceeds from Sale of Capital Assets/Grants	<u>2,277</u>	<u>293</u>
 Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,380)</u>	<u>(613)</u>
 Cash Flows from Investing Activity:		
(Purchase) of Investment Securities	(102,521)	(2,157)
Sale and Maturities of Investment Securities	81,584	---
Investment Earnings and Dividends on Investments	<u>2,690</u>	<u>31</u>
 Net Cash Provided by (Used for) Investing Activities	<u>(18,247)</u>	<u>(2,126)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,517)</u>	<u>(4,147)</u>
 Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>30,014</u>	<u>25,097</u>
 Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 24,497</u>	<u>\$ 20,950</u>

The notes to the financial statements are an integral part of this statement.

City of Toledo, Ohio
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousand)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity:			
Operating Income (Loss)	\$ 7,329	\$ 2,196	\$ 5,811
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	3,365	8,969	1,303
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	236	(2,013)	1,150
(Increase) Decrease in Prepaid Expenses	(29)	---	(9)
(Increase) Decrease in Interfund Receivable	(12,355)	1,366	8
(Increase) Decrease in Due from Other Governments	(9)	(49)	---
(Increase) Decrease in Deferred Debt Issuance Costs	(1,951)	(364)	---
(Increase) Decrease in Inventory of Supplies	26	(132)	(32)
Increase (Decrease) in Accounts Payable	(550)	203	(376)
Increase (Decrease) in Escrow	125	(4,660)	10
Increase (Decrease) in Retainage	(410)	552	(169)
Increase (Decrease) in Interfund Payable	7,252	(209)	1,515
Increase (Decrease) in Other Current Liabilities	<u>69</u>	<u>(536)</u>	<u>(41)</u>
Total Adjustments	(4,231)	3,127	3,359
Net Cash Provided by (Used for) Operating Activities	<u>\$ 3,098</u>	<u>\$ 5,323</u>	<u>\$ 9,170</u>

The notes to the financial statements are an integral part of this statement.

City of Toledo, Ohio
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:		
Operating Income (Loss)	\$ 15,336	\$ (2,815)
Adjustments to Reconcile Operating Income (Loss)		
To Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	13,637	2,965
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(627)	(131)
(Increase) Decrease in Prepaid Expenses	(38)	---
(Increase) Decrease in Interfund Receivable	(10,981)	---
(Increase) Decrease in Due from Other Governments	(58)	---
(Increase) Decrease in Deferred Debt Issuance Costs	(2,315)	---
(Increase) Decrease in Inventory of Supplies	(138)	2
Increase (Decrease) in Accounts Payable	(723)	(183)
Increase (Decrease) in Escrow	(4,525)	---
Increase (Decrease) in Retainage	(27)	---
Increase (Decrease) in Interfund Payable	8,558	420
Increase (Decrease) in Other Current Liabilities	<u>(508)</u>	<u>1,455</u>
 Total Adjustments	 <u>2,255</u>	 <u>4,528</u>
 Net Cash Provided by (Used for) Operating Activities	 <u>\$ 17,591</u>	 <u>\$ 1,713</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TOLEDO, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>Total</u>
ASSETS	
Equity in Pooled Cash	\$ 833
Investments at Cost	826
Interfund Receivable	<u>---</u>
 Total Assets	 <u>\$ 1,659</u>
LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts Payable	\$ 35
Escrow	826
Other Current Liabilities	<u>798</u>
 Total Liabilities	 <u>\$ 1,659</u>
Net Assets	<u>\$ ---</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Toledo, Ohio ("City") was incorporated January 7, 1837, and operates under its Charter adopted in November, 1914. The City may exercise all powers of local self-government granted under Article XVIII, Section 3, of the Ohio Constitution, not in conflict with applicable general laws of Ohio. The City government operates as a Strong Mayor/Council form of government. The Charter authorizes the following services: Public Safety, Highways and Streets, Water and Sanitation, Health and Social Services, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the City's accounting policies are described below:

A. Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The accompanying financial statements present the City of Toledo (the Primary Government) which does not have any component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead of *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Income taxes, property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* accounts for construction, improvement and acquisition of buildings and infrastructure.

The *special assessment services fund* accounts for the proceeds of special assessments (and related note sales) levies against property benefited from City services.

The government reports the following major proprietary funds:

The *water and sewer funds* account for the activities of these funds. These funds operate the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the government reports the following fund types:

Internal service funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Fiduciary Fund (General Agency and Municipal Court) assets and liabilities are recognized on the accrual basis of accounting since these Funds are custodial in nature and do not involve measurement of results of operations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City accounts for its Government-wide Proprietary Fund Financial statements consistent with all applicable GASB pronouncements, as well as the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict those of GASB.

D. Basis of Financial Statement Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The following fund types and account groups are used by the City:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental Funds are accounted for on a spending or "financial flow" measurement focus. The acquisition and use of available spendable resources during the year and balances of the City's available spendable financial resources at the end of the year are measured in Governmental Funds. The following are the City's Governmental Fund types:

General Fund - The General Fund is used to account for all resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector.

Proprietary Funds are accounted for on a "cost of service" or "capital maintenance" measurement focus. This means that all assets and liabilities associated with their activity are included on their balance sheets, and operating statements present increases and decreases in total net assets. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Water System, Wastewater Treatment Plant and Sewer System and of the Internal Service Funds are charges to customers for services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following are the City's Proprietary Fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability or other purposes.

Internal Service Funds - 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 City, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Annual Budget Process

An annual budget is prepared for all Governmental funds of the City. All budgets are adopted on a basis consistent with GAAP. Budgetary comparisons presented in this report are on this budgetary basis.

The City's budgetary process is as follows:

Budget - A Certificate of Estimated Revenue and Expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by October 31 of each year for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources, which states the projected revenue of each Fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditure from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the certificate is amended to include any unencumbered balances from the preceding year.

Appropriations - A temporary appropriation measure to control disbursements may be passed on or about January 1 of each year for the period from January 1 to March 31. During this period, the Administration presents an Executive Budget that is reviewed by City Council for its revision and approval. Upon completion of City Council's review, the revised Executive Budget is summarized into an ordinance which is approved by City Council to provide expenditure authority for an Appropriated Budget. This ordinance receives City Council approval no later than March 31 for the annual period ending December 31. During the year as additional information became available, City Council approved transfers, allocations, supplemental appropriations, and the reappropriation of encumbrances carried over from the prior year. Appropriations did not exceed estimated resources and all original appropriation authority resides with City Council. Management retains administrative authority to transfer existing appropriation authority under \$25 within personal services and between other account codes within an organization in a fund.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Annual Budget Process (Continued)

Budgetary Level of Control - The City is required by Ohio Law to establish annual appropriations for all necessary Funds. These appropriated budgets affect legal control at various levels for individual Funds. Budgetary control is exercised for the General Fund, Special Revenue Funds, and Debt Service Funds at the organizational level distinguishing between personal services and other expenditures. Budgetary control of grant funds is exercised by individual grant for each organization at the personal services and other level. Capital Projects Funds are legislatively controlled by individually approved projects for each organization. Expenditures may not legally exceed appropriations at this level.

The City meets its legal compliance requirements to report at the budgetary level of control with the City of Toledo's Special Budgetary Comparison Report (SBCR). The SBCR reports at the appropriate budgetary level of control for Governmental Funds on a GAAP basis. Because of the complexity of the budgetary control requirement, presentation of budget versus actual financial results in this CAFR would be very detailed and voluminous. Therefore, as permitted by GAAP, the SBCR for the year ended December 31, 2003 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each 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 succeeding fiscal year and is reappropriated.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Proprietary Funds consider Equity in Pooled Cash and Other Cash to be cash equivalents.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investments consist primarily of certificates of deposit, repurchase agreements, government securities, and the State Treasurer's Investment Pool and are stated at fair value. The fair value of the State Treasurer's Investment Pool is the Net Asset Value as determined by the Pool Administrator multiplied by the City's units. The Pool is subject to the Ohio Revised Code and an annual audit by an independent CPA firm. Interest earned from investments purchased with pooled cash is credited to the General Fund, except as stipulated by ordinance.

H. Inventory of Supplies

Inventory is valued at cost in Governmental Funds, and the lower of cost or market in Proprietary Funds on the first-in, first-out (FIFO) method. Inventory in the Governmental Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Recorded inventories in the Governmental Fund types are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Restricted Assets

Proceeds from debt and other assets set aside for specific purposes are classified as restricted assets since their use is limited by applicable bond indentures.

J. Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost or, if donated, at fair market value at the date donated. Infrastructure consisting of roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems and water and sewer lines are capitalized in the applicable governmental or business type activities column in the government-wide financial statements.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Depreciation

Depreciation for all capital assets is determined by depreciating the cost of fixed assets over the estimated useful lives of the assets on the straight-line basis. The estimated useful lives are as follows:

Distribution Systems	100 Years
Buildings	35-50 Years
Improvements	10-20 Years
Furniture and Fixtures	8-20 Years
Machinery and Equipment	5-25 Years
Infrastructure	20-50 Years

Depreciation expense is charged to Operations for Proprietary Fund capital assets and Governmental Activities capital assets in the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Special Assessment Services and Improvements

The City provides special services primarily for snow removal, leaf pickup, street resurfacing and street lighting. These services are assessed in the real estate tax bills to the benefited property owners. The City pays the actual costs of these services, which are then levied as special assessments and collected two years after the service has been rendered. The assessments receivable relating to such services, including interest, amounted to \$41,017 at December 31, 2003 and will be collected in 2004 and 2005.

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. Interest expenditures on special assessment notes amounted to \$911 in 2003. These improvements include streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. Upon completion of the approved projects, the notes are converted to long-term bonds which are assessed over a 10 or 20 year period depending on the type and cost of the improvement. As of December 31, 2003, the assessments receivable on such assessed improvement projects amounted to \$1,665.

N. Special Assessment Bond Retirement

Special assessment bonds are issued to finance the assessed portion of the cost of streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. These bonds are due in varying annual debt service payments ranging from \$112 in 2004 to \$94 in 2009. At December 31, 2003, the assessments receivable for bond retirements was \$751.

O. Compensated Absences

The City accrues vacation pay, compensatory time off, and sick leave as accrued wages and benefits payable when earned by employees using the "termination method." For Governmental Fund types, the liability not requiring expendable available financial resources is a long-term obligation. The current obligations of all Funds and the long-term obligations of Proprietary Funds are fully funded by depository cash in a Payroll Revolving Agency Fund.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation time is earned in the current year and is required to be taken in the subsequent year. Upon approval, any unused amounts may be carried over for an additional four months. Employees have the option of receiving compensatory time off in lieu of pay for overtime worked. Compensatory time off earned in the current year which is in excess of one hundred hours must be taken by April 30 of the subsequent year. Unused sick days may be accumulated without limitation. Typically, the General Fund, SCMR Fund and Special Assessment Service Fund liquidate the liability for compensated absences. Upon retirement, death or leaving the City's employment with qualifying years of service, an employee is paid one-half of the first sixteen hundred unused sick hours and the total of any remaining accumulated hours.

P. Interfund Transactions

During the course of normal operations, the City has numerous transactions between Funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

	Transfer In									Total
	General Fund	Capital Improvement Fund	Special Assessment Fund	Nonmajor Governmental Funds	Water Funds	Sewer Funds	Non Major Enterprise Funds	Internal Service Funds		
Transfer Out:										
General Fund	\$ -	\$ 34,161	\$ -	\$ 201	\$ -	\$ -	\$ 910	\$ -	\$35,272	
Capital Improvement Fund	455	-	-	13,360	-	-	-	-	-	13,815
Special Assessment Fund	-	-	-	-	-	-	-	-	-	-
Nonmajor										
Governmental Funds	1,715	810	-	2,874	-	-	-	-	-	5,399
Water Funds	-	-	-	13	-	-	-	-	-	13
Sewer Funds	-	-	-	16	-	-	-	-	-	16
Non Major										
Enterprise Funds	-	300	-	151	-	-	-	-	73	524
Internal Service Funds	2,934	13	47	38	65	76	21	3,792	3,865	6,986
Total Transfers In:	\$ 5,104	\$ 35,284	\$ 47	\$ 16,653	\$ 65	\$ 76	\$ 931	\$ 3,865	\$ 62,025	

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or Acts of God. As required by state law, the City is registered and insured through The Industrial Commission of Ohio and Bureau of Workers' Compensation for injuries to its employees. During fiscal 1988, the City established the Risk Management Fund (an internal service fund) to account for and finance insurance premiums, excluding workers' compensation premiums, and uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for all general liability claims, and up to \$100 for each property damage claim. The City has purchased commercial insurance for property claims in excess of the foregoing deductible.

All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates for the amounts needed to pay prior and current year claims and to establish a reserve for other accrued liabilities. The \$1,582 claims liability reported in the Risk Management Fund, an Internal Service Fund, at December 31, 2003 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Risk Management Fund's claim liability amount in fiscal years 2001, 2002 and 2003 were:

	Current-Year			
	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2001	\$ 926	\$678	\$580	\$1,024
2002	1,024	736	566	1,194
2003	1,194	1,112	724	1,582

None of the City's settlements have exceeded the insurance coverage for each of the past three fiscal years.

During fiscal 1990, the City established a Workers' Compensation Fund (an internal service fund) to account for and finance its uninsured risks of loss for workers' compensation claims. For claims incurred prior to 1995, the Workers' Compensation Fund provides coverage for up to a maximum of \$250 for each worker's compensation claim. For claims incurred after January 1, 1995, there is unlimited coverage. The City pays premiums to the State of Ohio

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Insurance (Continued)

Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. In addition, the Fund will pay assessments to the Bureau of Workers' Compensation for administration and payment of claims.

All funds of the City participate in the program and make payments to the Workers' Compensation Fund based on actuarial estimates of the amounts needed to pay current-year claims. The claim liability of \$12,770 reported in the Fund at December 31, 2003 is based on the requirements of Governmental Accounting Standard Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates 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. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of 2.12 percent.

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2001, 2002 and 2003 were:

	Current-Year			
	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2001	\$19,765	\$(8,110)	\$2,239	\$ 9,416
2002	9,416	3,340	1,159	11,597
2003	11,597	3,200	2,027	12,770

R. Fund Balance Reserves and Designations

The Governmental Funds balance sheet of the City of Toledo reports reserves and designations of fund equity for:

- a) Encumbrances: The portion of Fund Balance segregated for expenditure on vendor performance.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance Reserves and Designations (Continued)

- b) Inventory of Supplies: A portion of Fund Balance represented by inventories that is not available for appropriation and expenditure.
- c) Capital Improvements: A portion of fund balance segregated for capital expenditures.
- d) Long-Term Notes Receivable: The portion of Fund Balance represented by notes receivable currently is unavailable for appropriation. As the principal of the notes is repaid the reserve is reduced accordingly.
- e) Debt Service: A portion of Fund Balance legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- f) Prepaid Expenditures: The portion of Fund Balance represented by Prepaid Expenditures currently unavailable for appropriation. As the prepaid expenditures are recognized the reserve is reduced accordingly.
- g) Landfill Remediation: A portion of Fund Balance restricted to pay for the post-closure costs of former landfill sites.
- h) Subsequent Years Expenditure: A portion of fund balance segregated for expenditures appropriated in the current fiscal year to be paid in the next year.
- i) Budget Stabilization: A portion of Fund Balance legally restricted for funding of expenditures during cyclical downturns in the economy.
- j) Proprietary Fund Revenues: A portion of Fund Balance segregated for Debt Service, Replacement and Improvement.

S. Reconciliation of Government-Wide and Fund Financial Statements

- a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$222,231 difference are as follows:

General Long Term Debt	\$214,391
Plus Premiums	3,014
Accrued Interest	<u>4,826</u>

Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$222,231</u>
--	------------------

b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 and reported as depreciation expense." The details of this \$15,052 difference are as follows:

Capital Outlay	\$42,341
Depreciation Expense	<u>(27,289)</u>

Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 15,052</u>
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CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$ (2,637) difference are as follows:

Debt Issued or Incurred:

Issuance of General Obligation Bonds	\$ (7,620)
Issuance of Loans	(1,665)
Increase in Landfill Liability	(7,214)
Plus Premium Amortization	231
Accrued Interest	(866)
Increase in Compensated Absences	(2,852)
Less Debt Issue Costs	(27)

Principal Repayments:

General Obligation Debt	11,331
Other Debt	<u>6,045</u>

Net adjustment to increase *net changes in fund balances*

Total governmental funds to arrive at changes in net assets

Of governmental activities \$ (2,637)

NOTE 2. EQUITY IN POOLED CASH

Receipts from the Water and Sewer Utility Enterprise Funds and for certain other Funds are deposited and maintained in separate bank accounts or invested in short-term cash equivalents which are specifically segregated. Receipts from all other City Funds are pooled to provide for maximum investment returns on idle cash balances. Each Fund records its proportionate equity in the pooled account.

Certain Funds have made disbursements from the pooled cash in excess of their individual equities. This excess has been aggregated by Fund type and is reported in the combined balance sheet as Interfund Payables. These excesses are generally temporary and are repaid from normal Fund operations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 2. EQUITY IN POOLED CASH (Continued)

<u>Fund Type</u>	<u>Equity in Pooled Cash and Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 13,479	\$ (6,615)
Capital Improvements	28,338	---
Special Assessment Services	842	(8,179)
Other Governmental Funds	13,209	(1,376)
Water	49,586	(46,691)
Sewer	31,460	(27,208)
Non-Major Enterprise	9,171	(15,221)
Internal Service	20,948	(535)
Trust and Agency	830	---
Total	\$ 167,863	<u>\$ (105,825)</u>
Interfund Payables	<u>(105,825)</u>	
Total pooled cash at December 31, 2003	<u>\$ 62,038</u>	

The total above of \$167,863 is presented in the balance sheet as follows:

	<u>Amount</u>
Equity in Pooled Cash	\$ 62,038
Interfund Receivables	<u>105,825</u>
Total	<u>\$ 167,863</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The City's deposits and investments are included on the balance sheet as Equity in Pooled Cash, Other Cash, and Investments at fair value.

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Equity in Pooled Cash	\$ (6,324)	\$ 68,362	\$ 62,038
Other Cash	202	---	202
Investments	---	<u>158,689</u>	<u>158,689</u>
Total	<u><u>\$ (6,122)</u></u>	<u><u>\$ 227,051</u></u>	<u><u>\$220,929</u></u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The City liquid resources are maintained or invested in bank accounts and short-term investments in order to maximize the rate of interest that can be earned on invested funds. An Investment Advisory Committee, established in 1986, continually reviews and makes recommendations regarding the City's investment activity and also monitors compliance with the City's investment policies.

A. Deposits

The deposit of City resources is governed by portions of the Ohio Revised Code and the Toledo Municipal Code. Such deposits may consist of either demand deposits, nondemand savings accounts or certificates of deposit. Under both the Ohio Revised Code and the Toledo Municipal Code, deposits are subject to collateralization requirements to the extent that they are not insured by the Federal Deposit Insurance Corporation (FDIC). Such uninsured amounts must be collateralized by either specific or pooled collateral in an amount at least equal to the uninsured portion of the deposit. In accordance with the Toledo Municipal Code, only depositories with an office located in the City may be used.

At December 31, 2003, the carrying amount of the City's deposits was \$(6,122) (deficit) and the bank balance was \$2,759. Of the bank balance, \$200 was covered by deposit insurance and \$2,559 was covered by collateral held by the agent of the pledging bank in the City's name.

B. Investments

The investment of City financial resources is governed by the Toledo Municipal Code and the Ohio Revised Code. The Toledo Municipal Code authorizes the City to invest in City of Toledo Securities, Government Securities, Repurchase Securities, Municipal Securities, and the State Treasurer's Investment Pool. The Toledo Municipal Code limits investments in Repurchase Securities to ten million dollars per financial institution, and limits investment in the State Treasurer's Investment Pool to 40% of the principal amount of the investment portfolio. These requirements ensure the diversification of the investment portfolio. Repurchase Agreements may not have a term exceeding thirty days. Both the Toledo Municipal Code and the Ohio Revised Code have specific requirements for the collateralization of investments. The Toledo Municipal Code requires that securities underlying Repurchase Agreements must have a market value of at least 100% of the Repurchase Agreements. At the end of each month, the financial institution must review the market value of the collateral, increasing the collateral if it falls below the market value of the investment. All securities held for investment must be deposited for safekeeping with a custodian who is not the vendor of the investment. All of the investments are held by the City or the custodian in the City's name. Investments in the State Treasurer's Investment Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As defined by GASB 3, there are three categories of risk levels assumed with respect to investments. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

Investments at December 31, 2003 consist of the following:

	Risk Category				
	1	2	3	Carrying Amount	Fair Value
Investments:					
City of Toledo Securities	\$ 10,204	\$	\$	\$ 10,204	\$ 10,204
Government Securities:					
Federal Home Loan Mortg Corp	45,398			45,398	45,398
Federal National Mortg. Assoc.	48,577			48,577	48,577
Treasury Bills, Notes, Bonds	---			---	---
Federal Home Loan Bank	58,810			58,810	58,810
Federal Farm Credit Bank	32,420	---	---	32,420	32,420
	<u>\$195,409</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>195,409</u>	<u>195,409</u>
State Treasurer's Investment Pool				31,642	31,642
Total				<u>\$227,051</u>	<u>\$ 227,051</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 4. RECEIVABLES

The allowance for uncollectible receivables consists of the following at December 31, 2003:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$3,811	\$ ---
Capital Improvements	116	---
Special Assessment Services	15	---
Other Governmental Funds	1,370	22,970
Water	1,423	---
Sewer	1,841	---
Other Water Funds	211	956
Internal Service Funds	<u>806</u>	---
Total	<u>\$9,593</u>	<u>\$23,926</u>

NOTE 5. INCOME TAXES

The City levies an income tax of 2.25% on substantially all earned income arising from employment, residency, or business activities carried on inside the City. The first 1.5% of the income tax is a permanent levy, of which 0.25% of this tax is dedicated to capital improvements. The additional 0.75% of the income tax is slated to expire on June 30, 2006 and, of this tax, 0.25% is also dedicated for capital improvements. The City is required by Statute to transfer those income taxes dedicated for capital improvements to the Capital Improvements Fund. In 2003, the City made all required transfers to the Capital Improvements Fund.

Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates. As of December 31, 2003, the City has accrued \$16,427 as revenue from withheld income taxes remitted within 60 days of its year-end.

NOTE 6. PROPERTY TAX

The property tax levy is based on the assessed value listed as of January 1, 2003, the lien date, for all real and public utility property located in the City. The assessed values are established by the County Auditor at 35% of the current market value and a revaluation of all properties is required every six years with a statistical update every third year. The last revaluation was completed in 2001 for the tax year 2003.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 6. PROPERTY TAX (Continued)

Real property taxes were levied on all non-exempt property located in the County on January 14, 2003. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on January 31, 2003; if paid semi-annually, the first payment was due on February 14, 2003; with the remainder payable on June 30, 2003. Based on this tax calendar, all property taxes which were levied on January 14, 2003 relating to the 2003 budget year, except delinquent taxes, have been collected.

The City's share of personal property taxes is determined by the County Auditor based on annual tax returns filed by the taxpayers. The property is assessed for tax purposes at varying statutory percentages of cost.

The assessed value and tax rates of the City attributable to collections in 2003 and the estimated taxes relating to the 2004 budget year (which became a lien on January 1, 2003) are as follows:

<u>Taxes</u>	<u>Assessed Value</u>	<u>General Fund Tax Rate Per Thousand</u>	<u>Actual 2003 Receipts</u>	<u>Due in 2004</u>
General Fund:				
Real Estate & Public Utility Property	\$3,924,421	\$ 4.40	\$12,541	\$14,646
Personal Property	<u>487,172</u>	4.40	<u>2,682</u>	<u>2,582</u>
Total	<u><u>\$4,411,593</u></u>		<u><u>\$15,223</u></u>	<u><u>\$17,228</u></u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 6. PROPERTY TAX (Continued)

The receivables for estimated taxes relating to the 2004 budget year have been offset by a credit to deferred revenue at December 31, 2003 since the taxes are not available for appropriation and use until 2004.

Apportionment of Total Tax Rate	Tax Rate Per Thousand	Actual 2003 Receipts	Due in 2004
Unvoted Levy - Inside 10 Mil			
Limitation:			
General Fund	\$ 2.50	\$ 8,649	\$ 9,788
Voted Levy - Outside 10 Mil			
Limitation:			
General Fund (Charter Amendment Rate)	<u>1.90</u>	<u>6,574</u>	<u>7,440</u>
Total	<u>\$ 4.40</u>	<u>\$15,223</u>	<u>\$17,228</u>

Delinquent real estate and personal property taxes are not recorded as revenue until received. Based on the County Auditor's records, the estimated delinquent taxes due the City at December 31, 2003 was \$1,899.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2003 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	<u>\$24,781</u>	---	---	<u>\$24,781</u>
<i>Total Capital assets not being depreciated</i>	<u>24,781</u>	---	---	<u>24,781</u>
<i>Capital assets being depreciated:</i>				
Buildings	61,552	---	---	61,552
Improvements	49,250	1,768	---	51,018
Machinery & Equipment	38,805	1,071	---	39,876
Furniture & Fixtures	6,136	137	---	6,273
Infrastructure	<u>477,147</u>	<u>39,365</u>	---	<u>516,512</u>
<i>Total capital assets being depreciated</i>	<u>\$632,890</u>	<u>\$42,341</u>	---	<u>\$675,231</u>
<i>Less accumulated depreciation for:</i>				
Buildings	39,226	2,981	---	42,207
Improvements	20,977	1,595	---	22,572
Machinery & Equipment	17,208	1,308	---	18,516
Furniture & Fixtures	4,459	339	---	4,798
Infrastructure	<u>190,220</u>	<u>21,066</u>	---	<u>211,286</u>
<i>Total Accumulated Depreciation</i>	<u>272,090</u>	<u>27,289</u>	---	<u>299,379</u>
<i>Total net capital assets being depreciated</i>	<u>360,800</u>	<u>15,052</u>	---	<u>375,852</u>
<i>Net Governmental Activities capital assets</i>	<u>\$385,581</u>	<u>\$15,052</u>	---	<u>\$400,633</u>
Internal Service Funds				
<i>Capital assets not being depreciated:</i>				
Land	350	---	---	350
<i>Total Capital assets not being depreciated</i>	<u>350</u>	---	---	<u>350</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	54,962	3,836	4,811	53,987
Furniture & Fixtures	<u>98</u>	---	---	<u>98</u>
<i>Total capital assets being depreciated</i>	<u>\$56,506</u>	<u>\$3,836</u>	<u>\$4,811</u>	<u>\$55,531</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	41,863	1,846	3,692	40,017
Furniture & Fixtures	<u>98</u>	---	---	<u>98</u>
<i>Total Accumulated Depreciation</i>	<u>43,407</u>	<u>1,846</u>	<u>3,692</u>	<u>41,561</u>
<i>Total net capital assets being depreciated</i>	<u>13,099</u>	<u>1,990</u>	<u>1,119</u>	<u>13,970</u>
<i>Net Internal Service Fund capital assets</i>	<u>\$13,449</u>	<u>\$1,990</u>	<u>\$1,119</u>	<u>\$14,320</u>
<i>Total Governmental Activities</i>	<u>\$399,030</u>	<u>\$17,042</u>	<u>\$1,119</u>	<u>\$414,953</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Business Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$10,637	---	---	\$10,637
Construction in Progress	80,755	25,025	---	105,780
<i>Total Capital assets not being depreciated</i>	<u>91,392</u>	<u>25,025</u>	<u>---</u>	<u>116,417</u>
<i>Capital assets being depreciated:</i>				
Buildings	80,807	---	5,382	75,425
Improvements	68,697	22	---	68,719
Machinery & Equipment	100,975	855	---	101,830
Furniture & Fixtures	1,971	---	---	1,971
Distribution System	337,307	858	---	338,165
<i>Total capital assets being depreciated</i>	<u>589,757</u>	<u>1,735</u>	<u>5,382</u>	<u>586,110</u>
<i>Less accumulated depreciation for:</i>				
Buildings	41,359	3,657	771	44,245
Improvements	35,164	2,630	---	37,794
Machinery & Equipment	51,682	3,897	---	55,579
Furniture & Fixtures	1,008	75	---	1,083
Distribution System	157,796	3,378	---	161,174
<i>Total Accumulated Depreciation</i>	<u>287,009</u>	<u>13,637</u>	<u>771</u>	<u>299,875</u>
<i>Total net capital assets being depreciated</i>	<u>302,748</u>	<u>(11,902)</u>	<u>4,611</u>	<u>286,235</u>
<i>Net Business Type Activities Capital Assets</i>	<u>\$394,140</u>	<u>\$13,123</u>	<u>\$4,611</u>	<u>\$402,652</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 7,241
Public Service	14,928
Public Safety	415
Public Utility	10
Community Environment	1,085
Health	682
Parks	<u>2,928</u>

Total Depreciation Expense – Governmental Activities \$ 27,289

Business-Type Activities:

Water	\$ 3,365
Sewer	8,969
Non-Major	<u>1,303</u>

Total Depreciation Expense – Business-Type Activities \$ 13,637

Internal Service Funds 2,965

Total Depreciation Expense \$ 43,891

For several years, the Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2003, the Department owned approximately 326 parcels at an estimated historical cost of \$6,854. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase. Revenues from the sale of properties are recorded as program income in the same Funds at the time of sale.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS

A. Obligation Summary by Type

	<u>Balance at Beginning of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance at End of Year</u>	<u>Due Within One Year</u>
Bonds Outstanding:					
General Obligation	\$ 137,082	7,620	12,278	132,424	12,881
Revenue Obligations	88,937	47,790	17,297	119,430	6,970
Notes Outstanding:					
General Obligation	6,125	17,395	14,965	8,555	8,555
Revenue Obligations	31,900	21,000	21,400	31,500	15,000
Loans Outstanding:					
State Agencies	60,605	2,044	3,954	58,695	3,606
Federal Agencies	23,075	--	930	22,145	1,015
Other	2,375	1,165	731	2,809	235
Capital Leases	19,621	--	3,138	16,483	2,391
Other Obligations	47,074	10,066	334	56,806	1,307
TOTAL OBLIGATIONS	\$ 416,794	107,080	75,027	448,847	51,960

Note: General Obligation Debt Capacity per Uniform Bond Act of the ORC = \$101,000

Utility Debt Unamortized Discount = \$1,116

Assessed Services Revenue Notes are Secured by a Letter of Credit = \$51,000

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type

Changes in bonds payable and general long term obligations during 2003 and principal amounts outstanding at December 31, 2003 are as follows:

	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance At End Of Year	Due Within One Year
Governmental Type					
Accrued Compensated Absence	\$ 33,777	2,852	334	36,295	1,307
Landfill Closure	13,297	7,214	--	20,511	--
Capital Leases	8,509	--	2,741	5,768	1,994
Tax Increment Bonds	147	--	147	--	--
Assessed Services	31,900	21,000	21,400	31,500	15,000
General Fund Capital Projects - Loans	9,251	--	350	8,901	365
Police & Fire Pension - G.O. Bonds	13,200	--	875	12,325	925
Assessed Improvements - G.O. Bonds	510	120	112	518	112
Capital Projects - G. O. Bonds	95,654	7,500	10,344	92,810	10,834
Capital Projects - G. O. Notes	4,740	9,055	9,410	4,385	4,385
Capital Projects - Loans	38,072	1,165	2,474	36,763	2,099
Subtotal	\$ 249,057	\$ 48,906	48,187	249,776	37,021
Internal Service Funds					
General Obligation Bonds	5	--	2	3	1
General Obligation Notes	--	5,810	2,905	2,905	2,905
Subtotal	5	5,810	2,907	2,908	2,906
Business Type					
Water Revenue Bonds	\$ 55,874	27,385	13,752	69,507	4,277
Sanitary Sewer Revenue Bonds	32,916	20,405	3,398	49,923	2,693
Parking (General Obligation)	2,630	--	560	2,070	565
Housing (General Obligation)	24,944	--	341	24,603	400
Capital Projects - G. O. Notes	1,524	2,530	2,694	1,360	1,309
Capital Projects - Loans	36,644	2,044	2,203	36,485	2,392
Capital Lease	11,112	--	397	10,715	397
Property Management ODOD 166	2,088	--	588	1,500	--
Subtotal	167,732	52,364	23,933	196,163	12,033
Total Obligations	\$ 416,794	\$ 107,080	\$ 75,027	\$ 448,847	\$ 51,960
Premiums	\$ 3,247	--	233	3,014	--
Accrued Interest	3,960	866	--	4,826	--
Total Debt	\$ 424,001	\$ 107,946	\$ 75,260	\$ 456,687	\$ 51,960

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type (Continued)

Special assessment bonds are pledged by the full faith and credit of the City, the debt service requirements of which are funded by proceeds from special assessments tax levies. Water and sewer revenue bonds are collateralized by revenue from Water and Sewer Enterprise Funds. The full faith and credit of the City is pledged against the remaining general long-term obligations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose

Bonds Outstanding:	Interest Rates	Balance at Beginning of Year	Issuances	Reductions/Retirements	Balance at End of Year	Due Within One Year
General Obligation						
Capital Projects	1.50-7.875%	\$ 95,654	7,500	10,344	92,810	10,834
Special Assessments	1.55-7.00%	510	120	112	518	112
Internal Service Funds	4.90%	5	--	2	3	1
Pension	7.50%	13,200	--	875	12,325	925
Housing	4.85-7.86%	24,944	--	341	24,603	400
Parking	6.75-7.375%	2,630	--	560	2,070	565
Water/Sewer Systems	4.90%	139	--	44	95	44
Revenue Obligations						
Water System	1.25-6.45%	55,874	27,385	13,752	69,507	4,277
Sanitary Sewer System	2.0-6.45%	32,916	20,405	3,398	49,923	2,693
Tax Increment	6.50%	147	--	147	--	--
Notes Outstanding:						
General Obligation						
Special Assessments	1.60%	1,440	3,330	3,185	1,585	1,585
Internal Service Funds	1.60%	3,300	5,725	6,225	2,800	2,800
Storm Water System	1.60%	1,385	2,530	2,650	1,265	1,265
Revenue Obligations						
Assessed Services 2000	Var.	15,800	--	15,800	--	--
Assessed Services 2001	Var.	16,100	--	1,100	15,000	15,000
Assessed Services 2002	Var.	--	21,000	4,500	16,500	--
Loans Outstanding:						
State Agencies						
State Issue 2						
Capital Projects	0.00%	3,113	--	374	2,739	392
Water System	0.00%	425	--	28	397	28
Sanitary Sewer Sys.	0.00%	408	198	95	511	107
Ohio Water Dev Authority						
Capital Projects	4.02-4.12%	9,251	--	350	8,901	365
Sanitary Sewer Sys.	3.2-9.88%	35,811	1,846	2,080	35,577	2,257
ODOD Chapter 166						
Capital Projects	4.25%	9,509	--	439	9,070	457
Property Mgmt.	3.25-4.25%	2,088	--	588	1,500	--
Federal Agencies						
HUD 108						
Capital Projects	6.56-7.96%	22,215	--	860	21,355	940
Block Grant	7.11%	860	--	70	790	75
Other Loans						
Capital Projects	0.00-7.86%	2,375	1,165	731	2,809	235
Property Mgmt.	7.5%	--				
Capital Leases:						
Capital Projects		8,509	--	2,741	5,768	1,994
Enterprise		7,522	--	154	7,368	154
Utilities Admin Srv.		3,590	--	243	3,347	243
Other Obligations:						
Landfill Closure		13,297	7,214	--	20,511	--
Compensated Absences		33,777	2,852	334	36,295	1,307
Total Obligations		\$ 416,794	107,080	75,027	448,847	51,960

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

The annual debt service requirements for principal and interest on obligations at December 31, 2003 are as follows:

	Water		Sewer	
	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 4,277	\$ 2,361	\$ 2,693	\$ 2,561
2005	3,600	3,031	2,540	2,251
2006	3,810	2,889	2,625	2,154
2007	3,905	2,726	2,745	2,039
2008	4,050	2,562	2,855	1,932
2009-2013	21,785	10,120	13,235	7,727
2014-2018	20,060	4,292	12,210	4,493
2019-2023	3,745	1,570	5,310	2,293
2024-2028	4,275	648	5,710	858
2029-2033	---	---	---	---
Total	<u>\$69,507</u>	<u>\$30,199</u>	<u>\$49,923</u>	<u>\$26,308</u>

	Parking		Capital Projects	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 565	\$ 151	\$ 10,878	\$ 3,858
2005	570	110	10,988	3,328
2006	550	68	10,335	2,842
2007	85	27	9,425	2,944
2008	95	21	9,460	2,629
2009-2013	205	22	30,129	15,098
2014-2018	---	---	11,595	1,121
2019-2023	---	---	---	---
2024-2028	---	---	---	---
2029-2033	---	---	---	---
Total	<u>\$2,070</u>	<u>\$ 399</u>	<u>\$ 92,810</u>	<u>\$31,820</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

P&F Pension GO Bonds			
	Principal	Interest	
2004	\$ 925	\$ 908	
2005	950	837	
2006	1,000	765	
2007	1,025	690	
2008	1,075	612	
2009-2013	6,000	1,781	
2014-2018	1,350	76	
2019-2023	---	---	
2024-2028	---	---	
2029-2033	---	---	
Total	<u>\$ 12,325</u>	<u>\$ 5,669</u>	

	Internal Service		Housing	
	Principal	Interest	Principal	Interest
2004	\$ 1	\$ --	\$ 400	\$ 1,517
2005	2	--	456	1,493
2006	---	--	506	1,467
2007	---	--	575	1,436
2008	---	--	641	1,402
2009-2013	---	--	3,464	6,414
2014-2018	---	--	5,756	5,051
2019-2023	---	--	6,845	3,010
2024-2028	---	--	5,960	871
2028-2032	---	--	---	--
Total	<u>\$ 3</u>	<u>\$ 0</u>	<u>\$ 24,603</u>	<u>\$ 22,661</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Issue 2		OWDA Sewer	
	Principal	Interest	Principal	Interest
2004	\$ 527	\$ ---	\$ 2,257	1,529
2005	502	---	2,202	1,419
2006	441	---	2,144	1,310
2007	328	---	2,254	1,207
2008	278	---	2,370	1,098
2009-2013	1,017	---	10,423	3,900
2014-2018	452	---	9,648	1,822
2019-2023	102	---	4,196	246
2024-2028	---	---	83	2
2029-2033	---	---	---	---
Total	<u>\$ 3,647</u>	<u>\$ ---</u>	<u>\$ 35,577</u>	<u>\$ 12,533</u>

	OWDA General Fund		ODOD - 166	
	Principal	Interest	Principal	Interest
2004	\$ 365	\$ 361	\$ 457	\$ 380
2005	380	346	476	361
2006	396	330	536	360
2007	412	314	642	374
2008	430	297	668	347
2009-2013	2,428	1,202	3,769	1,275
2014-2018	2,974	655	4,022	411
2019-2023	1,516	87	---	---
2024-2028	---	---	---	---
2029-2033	---	---	---	---
Total	<u>\$ 8,901</u>	<u>\$ 3,592</u>	<u>\$ 10,570</u>	<u>\$ 3,508</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	HUD - 108		Other	
	Principal	Interest	Principal	Interest
2004	\$ 1,015	\$ 1,676	\$ 235	\$ 27
2005	1,055	1,604	560	1
2006	1,120	1,528	560	---
2007	1,185	1,449	210	---
2008	1,250	1,363	210	---
2009-2013	7,230	5,326	1,034	---
2014-2018	9,290	2,297	---	---
2019-2023	---	---	---	---
2024-2028	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$22,145</u>	<u>\$15,243</u>	<u>\$ 2,809</u>	<u>\$ 28</u>

	G.O. Storm Principal	G.O. Assessed Principal	G. O. Internal Service Principal	Revenue Obligations Principal
2004	\$ 1,360	\$ 1,585	\$ 2,300	\$ 2,905
2005	---	---	500	---
2006	---	---	---	---
2007	---	---	---	---
2008	---	---	---	---
2009-2013	---	---	---	---
2014-2018	---	---	---	---
2019-2023	---	---	---	---
2024-2028	---	---	---	---
2029-2033	---	---	---	---
Total	<u>\$ 1,360</u>	<u>\$ 1,585</u>	<u>\$ 2,800</u>	<u>\$ 2,905</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Special Assessment Bonds		Assessed Services <u>Principal</u>
	<u>Principal</u>	<u>Interest</u>	
2004	\$ 112	\$ 22	\$ 15,000
2005	81	17	16,500
2006	77	14	---
2007	76	10	---
2008	77	7	---
2009-2013	95	9	---
2014-2018	---	---	---
2019-2023	---	---	---
2024-2028	---	---	---
2029-2033	---	---	---
Total	<u>\$ 518</u>	<u>\$ 79</u>	<u>\$ 31,500</u>

Under the Uniform Bond Act of the Ohio Revised Code, the City has the capacity to issue approximately \$93,000 additional unvoted general obligation debt. The principal balances of the utility debt have been reduced by unamortized discount of \$1,116.

D. Defeasance of Bond Issues

In 2002, the City advance refunded bonds to facilitate the retirement of the City's obligation with respect to certain general obligation bonds and to provide funds for various capital improvement projects. The proceeds of the refunding issues were placed in irrevocable escrow accounts and invested in U.S. Treasury Obligations which, together with interest earned thereon, will provide amounts sufficient for future payment of interest and principal on the issues being refunded. Balances of refunded bonds are not included in the City's outstanding long-term debt since the debt is considered to be extinguished for financial reporting purposes through consummation of the refunding transaction. Balances of advance refunded debt not included in the City's balance sheet in the Government-Wide Statements at December 31, 2003 totaled \$29,510.

During July 2003, the City issued \$27,385 of water revenue bonds that provided monies for the advance refunding of series 1994 and 1996 water revenue bonds and additional capital improvement funds. Total proceeds from the issuance amounted to \$28,940 which includes an issuance premium of \$1,555. Of this amount, \$14,039 was transferred to an escrow agent for the purchase of U.S. Government securities for the refunding.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

D. Defeasance of Bond Issues (Continued)

Additionally, during July 2003, the City issued \$20,405 of sewer revenue bonds that provided monies for the advance refunding of series 1994 sewer revenue bonds and additional capital improvement funds. Total proceeds from the issuance amounted to \$21,117 which includes an issuance premium of \$712. Of this amount, \$1,257 was transferred to an escrow agent for the purchase of U.S. Government securities for the refunding.

The difference between the cash flows required to service the refunded debt and the cash flow required to service the new debt and complete the refunding is \$740. The net present value savings from the refundings amounts to \$602.

E. Other

Capital Lease

The City has a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Government Center Office Building, which is classified as a capital lease. In fiscal 1997, the City entered into a lease agreement with the Ohio Building Co., which is also being classified as a capital lease. In 1999, the City entered into a lease agreement with the Lucas County Port Authority for an addition to the Superior Street Garage which is classified as a capital lease. Future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2003 are as follows:

<u>Year</u>	<u>General Long-Term</u>	
	<u>Obligations</u>	<u>Enterprise Funds</u>
2004	\$ 1,136	\$ 1,180
2005	1,245	1,232
2006	2,552	1,266
2007	1,433	1,278
2008	---	1,306
2009-2013	---	5,551
2014-2018	---	3,471
2019	---	1,053
Total Minimum Lease Payments	<u>6,366</u>	<u>16,337</u>
Less Amount Representing Interest	<u>598</u>	<u>5,622</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 5,768</u></u>	<u><u>\$10,715</u></u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

E. Other (Continued)

Landfill Closure and Postclosure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the government-wide Statement of Net Assets for the closure and postclosure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2001; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 34 years. The \$20,579 reported as landfill closure and postclosure care liability at December 31, 2003, represents the cumulative amount reported to date based on the use of 95% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,150 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2003 using the worst case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables at December 31, 2003 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 11,626	\$ 6,615
Capital Improvements	27,732	---
Special Assessment Services	680	8,179
Other Governmental Funds	---	1,376
Water	42,879	46,691
Sewer	22,908	27,208
Other Water Funds	---	15,221
Internal Service Funds	---	535
Trust and Agency	---	---
Total	<u>\$ 105,825</u>	<u>\$ 105,825</u>

NOTE 10. FUND BALANCE DEFICITS

A. Fund Balance Deficit

At December 31, 2003, the following Funds had a fund balance deficit:

Special Revenue Funds - Special Assessment Services Fund

The fund deficit of \$35,461 in the Special Assessment Services Fund arose because of the application of GAAP to the financial reporting for this Fund. Short-term note proceeds used to finance construction of special assessment projects are not recognized as an "other financing source." Liabilities for special assessment short-term notes payable are accounted for in the Special Assessment Services Fund. Special assessments are recognized as revenue in the year they are remitted to the City by the County Auditor. The deficit will be reduced and eliminated as deferred special assessment installments are received from the County Auditor.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 10. FUND BALANCE DEFICITS (Continued)

A. Fund Balance Deficit (Continued)

Special Revenue Funds – Cemetery Maintenance

The fund deficit of \$32 is due to a drop in investment earnings due to the current economic climate.

Special Revenue Funds – Marina Development

The deficit of \$49 is a result of increased costs of operation. The City will be conducting a study of the fund to determine the best method to return the fund to positive equity balance.

Special Revenue Funds – Toledo Home Program

The fund deficit of \$1,112 is a result of timing of drawdowns from HUD for current year expenditures.

Capital Projects Fund - Special Assessment Improvements Fund

The fund deficit of \$1,306 in the Special Assessment Improvements Fund arose because of the application of GAAP to the financial reporting for this Fund. Note proceeds used to finance construction projects are not recognized as an "other financing source" in the Special Assessments Improvements Fund. These deficits will be reduced and eliminated as long-term financing is arranged for projects supported by short-term debt.

Enterprise Fund Types – Property Management

The fund deficit of \$622 is due to the disposal of fixed assets at a loss this year.

Internal Service Funds - Storeroom and Printshop Fund

The fund deficit of \$754 in the Storeroom and Printshop Fund is due to previous years experiencing operating losses due to an inability to pass through certain overhead costs.

Internal Service Funds – Worker's Compensation Fund

The fund deficit of \$1,128 is due to an increase in the actuarial liability based on an independent actuarial calculation of the City's liability. The deficit will be addressed in 2004 with the revised budget in the Workers' Compensation fund.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 11. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

Employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time, usually after retirement. The deferred pay and any income earned on it is not subject to income taxation until actually received by the employee.

As the Ohio Public Employees Deferred Compensation Board is the plan Administrator, the City is unable to, and does not, maintain any fiscal control over these assets. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 12. PENSION AND RETIREMENT PLANS

A. Police and Firemen's Disability and Pension Fund

All Police and Firemen are members of and participate in the Police and Firemen's Disability and Pension Fund (PFDPF), a cost-sharing multiple-employer defined benefit plan which operates under the authority of Ohio Revised Code, Chapter 742. The Fund provides pension, disability and health care benefits to qualified participants and survivor and death benefits to qualified spouses, children and dependent parents.

The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to: 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.0% of their annual covered salary and the City is required to contribute a statutorily determined rate which is currently 19.5% for Police and 24.0% for Fire. The City's contributions are equal to 100% of the dollar amount billed the City. The City's contributions to PFDPF for the Police portion for the years ending December 31, 2003, 2002, 2001, were \$7,839, \$7,821, \$7,481, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2003, 2002, 2001, were \$7,122, \$6,969, \$6,669, respectively, equal to the required contribution for each year. All contributions to PFDPF were made within the required due dates.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

A. Police and Firemen's Disability and Pension Fund (Continued)

The PFDPF also provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution to PFDPF is set aside for the funding of post retirement health care. The City's contribution includes approximately \$5,415 (7.75% of covered payroll) used to fund a health care program for retired employees.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the PFDPF.

The assumptions and calculations below were based on the PFDPF latest actuarial review performed as of December 31, 2002:

- A. Health care funding and accounting is on a pay-as-you-go basis.
- B. The number of participants eligible to receive health care benefits as of December 31, 2002 was 13,527 for police and 10,396 for firemen.
- C. The Fund's total health care expenses for the year ending December 31, 2002 were \$141,028.

In 1994, the City issued \$19,050 of taxable general obligation bonds to retire the remaining \$29,148 of the unfunded Police and Fire Pension liability existing at that time. The annual net debt service on the bonds will be approximately \$1,380.

B. Public Employees Retirement System of Ohio

All City employees (excluding Police and Firemen) are members of and participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

The 2003 employer contribution rate for local government employer units was 13.55% of covered payroll. Plan members are required to contribute 8.5% of their annual salary. The City's contributions are equal to 100% of the dollar amount billed to the City. The City's contributions to PERS for the years ending December 31, 2003, 2002 and 2001 were \$8,789, \$9,665 and \$8,472, respectively, equal to the required contributions for each year. All contributions to PERS were made within the required due dates.

The Public Employees Retirement System of Ohio also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution is set aside for the funding of post retirement health care benefits. The Ohio Revised Code provides statutory authority for employer contributions. The City contribution includes approximately \$3,243 (5% of covered payroll) used to fund a health care program for retired employees. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contribution to PERS. Health care costs were assumed to increase 4.00% annually.

The assumptions and calculations below are based on the System's latest Actuarial Review performed as of December 31, 2002:

- A. Health care funding and accounting is on an actuarially determined basis.
- B. The number of active contributing participants at year-end 2003 was \$364,881.
- C. \$10.0 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002.
- D. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method were \$18.7 billion and \$8.7 billion, respectively. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

- E. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%.
- F. An annual increase of 4.0% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.3%.

The Public Employees System of Ohio elected to return an actuarially pre-funded type of disclosure because it is a better presentation of PERS' actual funding methodology.

NOTE 13. LEASES AND OTHER COMMITMENTS

In 1982, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Toledo Government Center Office Building. The lease, which is for 30 years, is classified as a capital lease and has been included as property, plant and equipment in the government-wide financial statements at \$26,179 less accumulated depreciation of \$17,892. Under the terms of the lease, the City is required to pay for its pro-rata share of operating and maintenance costs of the building. These additional costs were \$1,334 in 2003.

In 1997, the City entered into a noncancelable long-term lease with the Ohio Building Co. for the space it occupies in the Ohio Building. The lease, which is for 15 years is classified as a capital lease and has been included in the Utility Administration Services Enterprise Fund at \$4,538 less accumulated depreciation of \$1,873 at December 31, 2003.

In 1999, the City entered into a \$7,825 noncancelable long-term lease with the Lucas County Port Authority for an addition to the Superior Street Garage.

The City leases other facilities and equipment under various operating leases. Rental expense relating to these leases amounted to \$338 in 2003. Future minimum lease payments on operating leases as of December 31, 2003 is \$20.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 13. LEASES AND OTHER COMMITMENTS (Continued)

The City has commitments for construction and improvement of four Water Treatment Plant projects and four Water Reclamation Plant projects. Such construction commitments, which total \$26,885 at December 31, 2003, are funded from Environmental Protection Agency grants and Sewer Mortgage Revenue Bond proceeds of the Sewer Fund.

The City entered into an agreement with Libbey-Owens-Ford in 1994 to purchase their headquarters building and to make necessary improvements for \$4,000. This arrangement was made to induce the company to maintain their operation within the City. The agreement provides for rental terms with the company in amounts sufficient to retire revenue bonds which were issued in January of 1994 to fund the transaction. In 2003, the City of Toledo sold the building for \$725.

NOTE 14. CONTINGENCIES

The City of Toledo is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations. The significant claims are described below.

The City is involved in various administrative proceedings with the Ohio Environmental Protection Agency and/or Ohio Attorney General's Office and the USEPA concerning certain environmental matters within the City. Those administrative proceedings do not seek money damages from the City but may require the City to take certain remedial measures to eliminate or reduce pollution in the lands or waters within the City. The City has, in turn, initiated certain proceedings to require those who it believes disposed of these pollutants to participate in the necessary remedial actions. The overall cost of the various clean-ups could reach up to \$50,000. The remedial measures are anticipated to span a multi-year period. The remaining capital cost to the City is estimated to be less than \$500. The costs to the City for operation, maintenance and monitoring over the next thirty years are estimated to be less than \$10,000 including inflation, most of which is to be funded from settlement reserves. The ultimate resolution of these claims is not anticipated to have a material adverse effect on the City's financial position.

The City was involved in litigation in which the United States and the State of Ohio are seeking injunctive relief and civil penalties against the City under the Clean Water Act for alleged discharges of pollutants from the City's wastewater treatment plant in violation of permit limitations. The City, the United States and the State of Ohio reached a settlement on the amount of civil penalties to be paid by the City, which was ratified by City Council in May 2002 and approved by general election in 2002. Under the consent decree settlement, the City paid a \$500 fine and agreed to upgrade the sewage treatment plant and sanitary sewer system at an anticipated total cost of \$400,000 over a 15 year period. The City is in compliance with all provisions in the Court-approved decree and the upgrade work is proceeding on schedule.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 14. CONTINGENCIES (Continued)

In addition, the City participates in a number of Federal and State assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. At December 31, 2003, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed claims, if any, will not result in a material adverse effect on the City's financial position.

NOTE 15. JOINT VENTURE

The City of Toledo has entered into a contractual agreement with Lucas County, Defiance County, Fulton County, Henry County, and Williams County to form the Corrections Commission of Northwest Ohio (Corrections Commission) to operate a regional jail in northwest Ohio. Each entity is responsible for a portion of the capital and operating budget as follows:

City of Toledo	38.01%
Lucas County	30.53
Defiance County	10.12
Fulton County	7.63
Williams County	7.63
Henry County	<u>6.08</u>
	<u>100.00%</u>

The Corrections Commission is a board composed of the following representatives: the President of the Board of County Commissioners, Sheriff and the Presiding Judge of the Court of Common Pleas from each County and the Mayor or City Manager, Chief of Police and Presiding Judge of the Municipal Court of the City of Toledo. Each participating entity has an equal degree of control over budgeting and financing.

All debt incurred for the construction of the jail was incurred by the participating governmental agencies, and are not liabilities of the Corrections Commission.

The Corrections Commission has an annual budget of approximately \$14,294 and has accumulated cash reserves of \$437 at December 31, 2003. Complete financial statements of the Corrections Commission can be obtained from its administrative office as follows:

Corrections Commission of Northwest Ohio
03151 Road 24.25
Rt. 1, Box 100-A
Stryker, OH 43557

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF TOLEDO, OHIO
MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2003

General Fund – The general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvements – To account for construction, major improvements and acquisition to the City's buildings and infrastructure and parkland. Revenue received is from the portion of the income tax earmarked by the voters for capital improvements and from construction grants and bond sales.

Special Assessment Services - To account for the proceeds of special assessments (and related note sales) levied against property benefited from the following City services: street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance.

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Income Taxes	\$ 158,377	\$ 158,377	\$155,112	\$ (3,265)
Property Taxes	15,615	15,615	15,223	(392)
Licenses and Permits	2,177	2,177	2,142	(35)
Intergovernmental Services	23,597	23,597	23,030	(567)
Charges for Services	13,043	13,043	12,791	(252)
Investment Earnings	2,260	2,260	1,619	(641)
Fines and Forfeitures	3,512	3,512	3,569	57
All Other Revenue	38	105	849	744
Total Revenues	<u>218,619</u>	<u>218,686</u>	<u>214,335</u>	<u>(4,351)</u>
EXPENDITURES:				
General Government	34,370	18,811	18,649	162
Public Service	1,875	1,780	1,729	51
Public Safety	130,182	140,392	140,380	12
Community Environment	6,158	5,062	4,791	271
Health	15,579	13,915	13,890	25
Parks and Recreation	4,719	4,413	4,409	4
Capital Outlay	(6,482)	1,129	641	488
Debt Service:				
Principal Retirement	1,923	1,892	1,823	69
Interest and Fiscal Charges	<u>2,154</u>	<u>1,408</u>	<u>1,325</u>	<u>83</u>
Total Expenditures	<u>190,478</u>	<u>188,802</u>	<u>187,637</u>	<u>1,165</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28,141</u>	<u>29,884</u>	<u>26,698</u>	<u>3,186</u>
Other Financing Sources (Uses):				
Operating Transfers In	---	2,204	5,104	2,900
Operating Transfers (Out)	(34,616)	(35,272)	(35,272)	---
Note Proceeds	---	---	---	---
Sale of Fixed Assets	---	30	73	43
TOTAL OTHER FINANCING SOURCES (USES)	<u>(34,616)</u>	<u>(33,038)</u>	<u>(30,095)</u>	<u>2,943</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (6,475)</u>	<u>\$ (3,154)</u>	<u>\$ (3,397)</u>	<u>\$ 243</u>
Fund Balances (Deficit) at Beginning of Year			16,807	
Increase in Reserve for Inventory			<u>10</u>	
Fund Balance (Deficit) at Year End			<u>\$ 13,420</u>	

CITY OF TOLEDO, OHIO
SPECIAL ASSESSMENT SERVICES FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR-ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>Budgeted Amounts</u>			<u>Positive (Negative) Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Special Assessments	\$ 17,565	\$ 17,565	\$ 17,803	\$ 238
Intergovernmental Services	(2)	(2)	(2)	---
Charges for Services	235	235	264	29
Investment Earnings	275	275	59	(216)
All Other Revenue	4	4	3	(1)
Total Revenues	\$ 18,077	\$ 18,077	\$ 18,127	\$ 50
EXPENDITURES:				
General Government	\$ 74	\$ 74	\$ 68	\$ 6
Public Service	19,328	19,590	19,024	566
Public Utilities	---	---	---	---
Health	685	583	583	---
Parks and Recreation	128	126	126	---
Capital Outlay	196	187	89	98
Debt Service:				
Principal Retirement	43	42	43	(1)
Interest and Fiscal Charges	2,008	2,007	859	1,148
Total Expenditures	\$ 22,461	\$ 22,609	\$ 20,792	\$ 1,817
Excess (Deficiency) of Revenues over Expenditures	\$ (4,384)	\$ (4,532)	\$ (2,665)	\$ 1,817
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	---	47	47	---
Operating Transfers (Out)	---	---	---	---
Total Other Financing Sources (Uses)	\$ ---	\$ 47	\$ 47	\$ ---
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (4,384)	\$ (4,485)	(2,618)	\$ 1,867
Fund Balances (Deficit) at Beginning of Year			(33,066)	
Increase in Reserve for Inventory			223	
Fund Balance (Deficit) at Year-End			<u><u>\$ (35,461)</u></u>	

SUPPLEMENTARY INFORMATION

CITY OF TOLEDO, OHIO
CAPITAL IMPROVEMENTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR-ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>Budgeted Amounts</u>			<u>Positive (Negative) Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Intergovernmental Services	\$ 44,661	\$ 44,661	\$ 18,313	<u>\$(26,348)</u>
Charges for Services	96	96	98	<u>2</u>
Investment Earnings	---	---	1,080	<u>1,080</u>
All Other Revenue	<u>735</u>	<u>735</u>	<u>626</u>	<u>(109)</u>
Total Revenues	\$ 45,492	\$ 45,492	\$ 20,117	<u>\$(25,375)</u>
EXPENDITURES:				
Capital Outlay	\$ 99,293	\$ 99,293	\$ 39,886	<u>\$ 59,407</u>
Debt Service:				
Principal Retirement	4,405	4,405	4,405	<u>---</u>
Interest and Fiscal Charges	<u>2,893</u>	<u>2,893</u>	<u>2,681</u>	<u>212</u>
Total Expenditures	\$ 106,591	\$ 106,591	\$ 46,972	<u>\$ 59,619</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (61,099)</u>	<u>\$ (61,099)</u>	<u>\$ (26,855)</u>	<u>\$ 34,244</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	35,335	35,335	35,284	<u>(51)</u>
Operating Transfers (Out)	(13,815)	(13,815)	(13,815)	<u>---</u>
Bond Proceeds	10,300	10,300	7,500	<u>(2,800)</u>
Note Proceeds	2,243	2,243	1,000	<u>(1,243)</u>
Premiums on Bond	---	---	--	<u>--</u>
Sale of Fixed Assets	75	75	---	<u>(75)</u>
Other	<u>---</u>	<u>---</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	\$ 34,138	\$ 34,138	\$ 29,969	<u>\$ (4,169)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (26,961)</u>	<u>\$ (26,961)</u>	3,114	<u>\$ 30,075</u>
Fund Balances (Deficit) at Beginning of Year			41,332	
Increase in Reserve for Inventory			<u>26</u>	
Fund Balance (Deficit) at Year-End			<u>\$ 44,472</u>	

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES:				
Current				
GENERAL GOVERNMENT				
City Council				
Personal Services	\$ 1,538	\$ 1,404	\$ 1,404	\$ -
Materials and Supplies	63	89	85	4
Contractual Services	182	128	123	5
Other	-	69	69	-
Total City Council	<u>1,783</u>	<u>1,690</u>	<u>1,681</u>	<u>9</u>
Office Of The Mayor				
Personal Services	1,201	1,120	1,120	-
Materials and Supplies	47	44	43	1
Contractual Services	358	473	459	14
Other	90	100	100	-
Total Office of the Mayor	<u>1,696</u>	<u>1,737</u>	<u>1,722</u>	<u>15</u>
Auditor				
Personal Services	185	192	192	-
Materials and Supplies	2	1	1	-
Contractual Services	52	11	11	-
Total Auditor	<u>239</u>	<u>204</u>	<u>204</u>	<u>-</u>
Affirmative Action				
Personal Services	384	278	278	-
Materials and Supplies	2	4	4	-
Contractual Services	24	16	16	-
Total Affirmative Action	<u>410</u>	<u>298</u>	<u>298</u>	<u>-</u>
Board Of Community Relations				
Personal Services	216	182	182	-
Materials and Supplies	8	7	7	-
Contractual Services	35	11	11	-
Total Board Of Community Relations	<u>259</u>	<u>200</u>	<u>200</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Financial Analysis				
Personal Services	\$ 294	\$ 181	\$ 181	\$ -
Materials and Supplies	1	-	-	-
Contractual Services	81	10	10	-
Total Financial Analysis	<u>376</u>	<u>191</u>	<u>191</u>	-
General Fund Utilities				
Contractual Services	1,667	1,440	1,440	-
Total General Fund Utilities	<u>1,667</u>	<u>1,440</u>	<u>1,440</u>	-
Law				
Personal Services	1,925	1,993	1,993	-
Materials and Supplies	37	40	39	1
Contractual Services	412	305	296	9
Total Law	<u>2,374</u>	<u>2,338</u>	<u>2,328</u>	10
Youth Commission				
Personal Services	262	172	172	-
Materials and Supplies	7	5	4	1
Contractual Services	27	23	14	9
Total Youth Commission	<u>296</u>	<u>200</u>	<u>190</u>	10
Finance Administration				
Personal Services	172	174	174	-
Materials and Supplies	2	1	1	-
Contractual Services	11	1	1	-
Total Finance Administration	<u>185</u>	<u>176</u>	<u>176</u>	-
Treasury				
Personal Services	257	212	212	-
Materials and Supplies	46	38	35	3
Contractual Services	51	40	40	-
Total Treasury	<u>354</u>	<u>290</u>	<u>287</u>	3
Taxation				
Personal Services	1,359	1,096	1,096	-
Materials and Supplies	118	140	138	2
Contractual Services	511	387	381	6
Total Taxation	<u>1,988</u>	<u>1,623</u>	<u>1,615</u>	8

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Accounts				
Personal Services	\$ 1,224	\$ 912	\$ 912	\$ -
Materials and Supplies	12	14	14	-
Contractual Services	553	358	336	22
Total Accounts	<u>1,789</u>	<u>1,284</u>	<u>1,262</u>	<u>22</u>
Economic Development				
Other	76	65	65	-
Total Economic Development	<u>76</u>	<u>65</u>	<u>65</u>	<u>-</u>
Human Resources				
Personal Services	1,168	1,093	1,093	-
Materials and Supplies	45	12	11	1
Contractual Services	294	161	161	-
Other	4	-	-	-
Total Human Resources	<u>1,511</u>	<u>1,266</u>	<u>1,265</u>	<u>1</u>
Purchasing And Supplies				
Personal Services	328	163	163	-
Materials and Supplies	7	(1)	(1)	-
Contractual Services	(73)	166	166	-
Total Purchasing and Supplies	<u>262</u>	<u>328</u>	<u>328</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	175	324	324	-
Materials and Supplies	1	1	1	-
Contractual Services	39	4	4	-
Total Streets Bridges & Harbors	<u>215</u>	<u>329</u>	<u>329</u>	<u>-</u>
Facility Operations				
Personal Services	1,014	963	963	-
Materials and Supplies	179	86	86	-
Contractual Services	1,187	815	804	11
Total Facility Operations	<u>2,380</u>	<u>1,864</u>	<u>1,853</u>	<u>11</u>
Police				
Other	5	3	3	-
Total Police	<u>5</u>	<u>3</u>	<u>3</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Fire				
Personal Services	\$ 51	\$ 107	\$ 107	-
Materials and Supplies	20	39	39	-
Contractual Services	<u>(25)</u>	<u>(10)</u>	<u>(10)</u>	-
Total Fire	<u>46</u>	<u>136</u>	<u>136</u>	-
Natural Resources Administration				
Personal Services	438	126	126	-
Materials and Supplies	6	5	5	-
Contractual Services	<u>161</u>	<u>117</u>	<u>114</u>	3
Total Natural Resources Administration	<u>605</u>	<u>248</u>	<u>245</u>	3
Recreation				
Other	3	-	-	-
Total Recreation	<u>3</u>	<u>-</u>	<u>-</u>	-
Parks & Forestry				
Other	36	16	16	-
Total Parks & Forestry	<u>36</u>	<u>16</u>	<u>16</u>	-
Fringe Benefits				
Personal Services	2,000	213	213	-
Total Fringe Benefits	<u>2,000</u>	<u>213</u>	<u>213</u>	-
General Non-Departmental Services				
Contractual Services	13,228	2,209	2,139	70
Other	<u>587</u>	<u>462</u>	<u>462</u>	-
Total General Non-Departmental Services	<u>13,815</u>	<u>2,671</u>	<u>2,601</u>	70
TOTAL GENERAL GOVERNMENT	<u>34,370</u>	<u>18,811</u>	<u>18,649</u>	<u>162</u>
PUBLIC SERVICE				
General Fund Utilities				
Contractual Services	1,350	1,340	1,340	-
Total General Fund Utilities	<u>1,350</u>	<u>1,340</u>	<u>1,340</u>	-

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDELO OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Waste Disposal				
Materials and Supplies	\$ 1	\$ -	\$ -	\$ -
Contractual Services	75	61	11	50
Total Waste Disposal	<u>76</u>	<u>61</u>	<u>11</u>	<u>50</u>
Parks & Forestry				
Personal Services	205	197	197	-
Materials and Supplies	4	1	1	-
Contractual Services	240	181	180	1
Total Parks & Forestry	<u>449</u>	<u>379</u>	<u>378</u>	<u>1</u>
TOTAL PUBLIC SERVICE	<u>1,875</u>	<u>1,780</u>	<u>1,729</u>	<u>51</u>
 PUBLIC SAFETY				
Municipal Court Judges				
Personal Services	4,941	4,861	4,861	-
Materials and Supplies	72	87	87	-
Contractual Services	2,065	2,133	2,133	-
Total Municipal Court Judges	<u>7,078</u>	<u>7,081</u>	<u>7,081</u>	<u>-</u>
Clerk Of Municipal Court				
Personal Services	4,259	4,176	4,176	-
Materials and Supplies	301	356	353	3
Contractual Services	710	689	689	-
Total Clerk Of Municipal Court	<u>5,270</u>	<u>5,221</u>	<u>5,218</u>	<u>3</u>
Law				
Personal Services	781	656	656	-
Contractual Services	15	10	10	-
Total Law	<u>796</u>	<u>666</u>	<u>666</u>	<u>-</u>
Treasury				
Contractual Services	-	2	2	-
Total Treasury	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Demolition				
Personal Services	\$ 66	\$ (9)	\$ (9)	\$ -
Total Demolition	<u>66</u>	<u>(9)</u>	<u>(9)</u>	<u>-</u>
Police				
Personal Services	63,428	63,068	63,068	-
Materials and Supplies	610	650	634	- 16
Contractual Services	4,771	4,006	4,002	4
Total Police	<u>68,809</u>	<u>67,724</u>	<u>67,704</u>	<u>20</u>
Fire				
Personal Services	45,531	46,270	46,270	-
Materials and Supplies	413	331	328	3
Contractual Services	2,207	1,621	1,620	1
Total Fire	<u>48,151</u>	<u>48,222</u>	<u>48,218</u>	<u>4</u>
Fringe Benefits				
Personal Services	-	858	858	-
Total Fringe Benefits	<u>-</u>	<u>858</u>	<u>858</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	12	10,627	10,642	(15)
Total General Non-Departmental Services	<u>12</u>	<u>10,627</u>	<u>10,642</u>	<u>(15)</u>
TOTAL PUBLIC SAFETY	<u>130,182</u>	<u>140,392</u>	<u>140,380</u>	<u>12</u>
COMMUNITY ENVIRONMENT				
Planning Commission				
Personal Services	638	570	570	-
Materials and Supplies	19	19	19	-
Contractual Services	117	55	53	2
Total Planning Commission	<u>774</u>	<u>644</u>	<u>642</u>	<u>2</u>
General Fund Utilities				
Contractual Services	-	247	247	-
Total General Fund Utilities	<u>-</u>	<u>247</u>	<u>247</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Youth Commission				
Other	\$ 99	\$ 36	\$ 36	\$ -
Total Youth Commission	<u>99</u>	<u>36</u>	<u>36</u>	<u>-</u>
H N R Administration				
Personal Services	199	52	52	-
Contractual Services	16	10	10	-
Total H N R Administration	<u>215</u>	<u>62</u>	<u>62</u>	<u>-</u>
Housing Division				
Personal Services	126	60	60	-
Total Housing Division	<u>126</u>	<u>60</u>	<u>60</u>	<u>-</u>
Economic Development				
Personal Services	620	398	398	-
Materials and Supplies	29	31	10	21
Contractual Services	166	166	76	90
Other	20	46	10	36
Total Economic Development	<u>835</u>	<u>641</u>	<u>494</u>	<u>147</u>
Demolition				
Personal Services	545	418	418	-
Other	40	100	100	-
Total Demolition	<u>585</u>	<u>518</u>	<u>518</u>	<u>-</u>
Transportation				
Personal Services	127	107	107	-
Materials and Supplies	2	3	3	-
Contractual Services	45	25	25	-
Total Transportation	<u>174</u>	<u>135</u>	<u>135</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	(12)	(1)	(1)	-
Materials and Supplies	(1)	1	1	-
Contractual Services	20	53	53	-
Total Streets Bridges & Harbors	<u>7</u>	<u>53</u>	<u>53</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Waste Disposal				
Contractual Services	\$ 345	\$ 345	\$ 231	\$ 114
Total Waste Disposal	<u>345</u>	<u>345</u>	<u>231</u>	<u>114</u>
Engineering Services				
Personal Services	323	237	237	-
Materials and Supplies	12	21	19	2
Contractual Services	36	30	24	6
Total Engineering Services	<u>371</u>	<u>288</u>	<u>280</u>	<u>8</u>
Building Inspection				
Personal Services	2,069	1,664	1,664	-
Materials and Supplies	18	26	26	-
Contractual Services	301	213	213	-
Total Building Inspection	<u>2,388</u>	<u>1,903</u>	<u>1,903</u>	<u>-</u>
Parks & Forestry				
Personal Services	209	115	115	-
Contractual Services	30	5	5	-
Total Parks & Forestry	<u>239</u>	<u>120</u>	<u>120</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	10	10	-
Total Fringe Benefits	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
TOTAL COMMUNITY ENVIRONMENT	<u>6,158</u>	<u>5,062</u>	<u>4,791</u>	<u>271</u>
HEALTH				
Municipal Court Judges				
Personal Services	257	269	269	-
Materials and Supplies	1	1	1	-
Contractual Services	5	2	2	-
Total Municipal Court Judges	<u>263</u>	<u>272</u>	<u>272</u>	<u>-</u>
Purchasing And Supplies				
Personal Services	12	-	-	-
Total Purchasing And Supplies	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
				POSITIVE (NEGATIVE)
Refuse Collection				
Personal Services	\$ 9,325	\$ 8,792	\$ 8,792	\$ -
Materials and Supplies	66	69	69	-
Contractual Services	1,847	940	940	-
Total Refuse Collection	<u>11,238</u>	<u>9,801</u>	<u>9,801</u>	-
Waste Disposal				
Personal Services	1,334	1,190	1,190	-
Materials and Supplies	123	99	91	8
Contractual Services	1,725	1,618	1,601	17
Total Waste Disposal	<u>3,182</u>	<u>2,907</u>	<u>2,882</u>	<u>25</u>
Environmental Services				
Personal Services	252	220	220	-
Contractual Services	133	1	1	-
Total Environmental Services	<u>385</u>	<u>221</u>	<u>221</u>	-
Recreation				
Contractual Services	-	6	6	-
Total Recreation	<u>-</u>	<u>6</u>	<u>6</u>	-
Parks & Forestry				
Personal Services	365	454	454	-
Materials and Supplies	16	8	8	-
Contractual Services	118	108	108	-
Total Parks & Forestry	<u>499</u>	<u>570</u>	<u>570</u>	-
Fringe Benefits				
Personal Services	-	138	138	-
Total Fringe Benefits	<u>-</u>	<u>138</u>	<u>138</u>	-
TOTAL HEALTH	15,579	13,915	13,890	25

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
PARKS AND RECREATION				
Natural Resources Administration				
Contractual Services	\$ 35	\$ 27	\$ 27	\$ -
Total Natural Resources Administration	<u>35</u>	<u>27</u>	<u>27</u>	<u>-</u>
Recreation				
Personal Services	1,148	1,116	1,116	-
Materials and Supplies	90	96	95	1
Contractual Services	1,254	973	971	2
Total Recreation	<u>2,492</u>	<u>2,185</u>	<u>2,182</u>	<u>3</u>
Parks & Forestry				
Personal Services	1,241	1,188	1,188	-
Materials and Supplies	73	62	62	-
Contractual Services	878	951	950	1
Total Parks & Forestry	<u>2,192</u>	<u>2,201</u>	<u>2,200</u>	<u>1</u>
TOTAL PARKS & RECREATION	<u>4,719</u>	<u>4,413</u>	<u>4,409</u>	<u>4</u>
TOTAL CAPITAL OUTLAY	<u>(6,482)</u>	<u>1,129</u>	<u>641</u>	<u>488</u>
TOTAL DEBT SERVICE	<u>4,077</u>	<u>3,300</u>	<u>3,148</u>	<u>152</u>
TOTAL EXPENDITURES	<u>\$ 190,478</u>	<u>\$ 188,802</u>	<u>\$ 187,637</u>	<u>\$ 1,165</u>

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**CITY OF TOLEDO, OHIO
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects
Assets			
Equity in Pooled Cash	\$ 13,145	\$ 31	\$ -
Other Cash	1	-	-
Investments	2,451	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	3,142	-	-
Special Assessments	-	751	1,665
Notes	480	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	537	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	421
Total Assets	\$ 19,756	\$ 782	\$ 2,086
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 1,783	\$ 2	\$ 3
Escrow	450	-	-
Retainages	-	-	27
Interfund Payable	1,265	-	111
Due to Other Governments	2	-	-
Deferred Revenue	-	751	1,666
Other Current Liabilities	1	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	1,585
Total Liabilities	3,501	753	3,392
Fund Balances (Deficit):			
Reserved for Debt Service	-	29	-
Reserved for Encumbrances	5,051	-	180
Reserved for Inventory of Supplies	533	-	-
Reserved for Long-Term Notes and Accounts Receivable	519	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	245	-	-
Undesignated	9,907	-	(1,486)
Total Fund Balance (Deficit)	16,255	29	(1,306)
Total Liabilities and Fund Balance (Deficit)	\$ 19,756	\$ 782	\$ 2,086

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
Assets		
Equity in Pooled Cash	\$ 33	\$ 13,209
Other Cash	-	1
Investments	709	3,160
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	3,142
Special Assessments	-	2,416
Notes	-	480
Interfund Receivable	-	-
Prepaid Expenditures	-	-
Inventory of Supplies	-	537
Restricted Assets:		
Other Cash	-	-
Investments	-	421
Total Assets	\$ 742	\$ 23,366
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ -	\$ 1,788
Escrow	26	476
Retainages	-	27
Interfund Payable	-	1,376
Due to Other Governments	-	2
Deferred Revenue	-	2,417
Other Current Liabilities	-	1
Payable From Restricted Assets:		
Notes Payable	-	1,585
Total Liabilities	26	7,672
Fund Balances (Deficit):		
Reserved for Debt Service	-	29
Reserved for Encumbrances	-	5,231
Reserved for Inventory of Supplies	-	533
Reserved for Long-Term Notes and Accounts Receivable	-	519
Reserved for Prepaid Expenditures	-	-
Designated for Subsequent Years Expenditures	-	245
Undesignated	716	9,137
Total Fund Balance (Deficit)	716	15,694
Total Liabilities and Fund Balance (Deficit)	\$ 742	\$ 23,366

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Special Revenue	Debt Service	Capital Improvements
Revenues:			
Special Assessments	\$ -	\$ 142	\$ 328
Licenses and Permits	3	-	-
Intergovernmental Services	28,595	391	-
Charges for Services	571	-	-
Investment Earnings	497	1	(3)
Fines and Forfeitures	518	-	-
All Other Revenue	1,998	-	-
Total Revenues	32,182	534	325
Expenditures:			
Current:			
General Government	357	-	-
Public Service	9,508	-	-
Public Safety	2,970	-	-
Public Utilities	1,043	-	-
Community Environment	13,271	-	-
Health	1,767	-	-
Parks and Recreation	194	-	-
Capital Outlay	1,191	-	512
Debt Service:			
Principal Retirement	167	9,853	-
Interest and Fiscal Charges	149	4,264	34
Total Expenditures	30,617	14,117	546
Excess (Deficiency) of Revenues over Expenditures	1,565	(13,583)	(221)
Other Financing Sources (Uses):			
Transfers In	2,829	13,823	-
Transfers (Out)	(4,974)	(426)	-
Note Proceeds	665	-	-
Sale of Fixed Assets	18	-	-
Bond Proceeds	-	-	120
Premium on Bond	-	-	7
Payment to Refunded Bond Escrow Agent	-	-	-
Other Revenue (Expenses)	-	-	-
Total Other Financing Sources and (Uses)	(1,462)	13,397	127
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	103	(186)	(94)
Fund Balances (Deficit) at Beginning of Year	16,152	215	(1,212)
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 16,255	\$ 29	\$ (1,306)

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
Revenues:		
Special Assessments	\$ -	\$ 470
Licenses and Permits	-	3
Intergovernmental Services	-	28,986
Charges for Services	-	571
Investment Earnings	6	501
Fines and Forfeitures	-	518
All Other Revenue	-	1,998
Total Revenues	6	33,047
Expenditures:		
Current:		
General Government	-	357
Public Service	-	9,508
Public Safety	-	2,970
Public Utilities	-	1,043
Community Environment	-	13,271
Health	-	1,767
Parks and Recreation	-	194
Capital Outlay	-	1,703
Debt Service:		
Principal Retirement	-	10,020
Interest and Fiscal Charges	-	4,447
Total Expenditures	-	45,280
Excess (Deficiency) of Revenues over Expenditures	6	(12,233)
Other Financing Sources (Uses):		
Transfers In	-	16,652
Transfers (Out)	-	(5,400)
Note Proceeds	-	665
Sale of Fixed Assets	-	18
Bond Proceeds	-	120
Premium on Bond	-	7
Payment to Refunded Bond Escrow Agent	-	-
Other Revenue (Expenses)	-	-
Total Other Financing Sources and (Uses)	-	12,062
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	6	(171)
Fund Balances (Deficit) at Beginning of Year	710	15,865
Increase in Reserve for Inventory/Notes	-	-
Fund Balance (Deficit) at Year End	\$ 716	\$ 15,694

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**CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
DECEMBER 31, 2003**

Federal Block Grants - To account for monies received from the Federal Government under the Community Development Block Grant program. Individual program and grant activity is controlled by use of programmatic computer codes.

Operation Grants - To account for various non-capital Federal, State and Local grants including such programs as Federal and State Air Pollution Control, D.W.I. (Driving While Intoxicated) program, Child and Family Health, and WIC (Women, Infants and Children). Individual program and grant activity is controlled by use of programmatic computer codes.

Urban Development Action Grants - To account for monies received from the Federal Government under the Urban Development Action Grant program. Individual program and grant activity is controlled by use of programmatic computer codes.

Street Construction Maintenance and Repair - To account for state-levied and controlled gasoline tax and vehicle license fees remitted to the City by formula for routine street maintenance.

Cemetery Maintenance - To account for investment earnings transferred from the non-expendable Cemetery Perpetual Care Fund. Fund monies are used in maintaining the City's five public cemeteries.

Golf Improvements - To account for the portion of golf greens fees designated by City Council for major non-capital golf course maintenance.

Parkland Improvements - To account for those proceeds from parkland sales designated by City Council for minor purchases of park property and equipment.

Cemeteries Property Acquisition Site Development - To account for monies received for interments, removals and lots in municipal cemeteries and used for the expansion of municipal cemeteries.

Marina Development - To account for monies received for operation and improvement of the City's marinas and Boating Education Center.

Expendable Trusts - To account for monies donated in trust to the City. Expenditures of the forty-eight individual trust funds in existence as of December 31 are controlled by reference to individual trust balances maintained in subsidiary records.

Toledo City Parks - To account for investment earnings on funds contributed from General Fund Estate Taxes. This fund will provide funding stability to the City's parks and recreation programs.

Toledo Home Program - To account for monies received under the National Affordable Housing Act to assist low-income individuals attain home ownership. Individual program and grant activity is controlled by use of programmatic computer codes.

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
Assets			
Equity in Pooled Cash	\$ 2,683	\$ 4,031	\$ 635
Other Cash	1	-	-
Investments	-	-	13
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1,881	143	37
Special Assessments	-	-	-
Notes	-	(2)	482
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Restricted Assets:			
Investments	-	-	-
Total Assets	\$ 4,565	\$ 4,172	\$ 1,167
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 657	\$ 241	\$ -
Escrow	12	154	11
Retainages	-	-	-
Interfund Payable	-	-	-
Due to Other Governments	-	-	2
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
Total Liabilities	669	395	13
Fund Balances (Deficit):			
Reserved for Encumbrances	2,071	1,943	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Long-Term Notes and Accounts Receivable	-	-	519
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	1,825	1,834	635
Total Fund Balance (Deficit)	3,896	3,777	1,154
Total Liabilities and Fund Balance (Deficit)	\$ 4,565	\$ 4,172	\$ 1,167

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
Assets			
Equity in Pooled Cash	\$ 1,370	\$ -	\$ 27
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	591	5	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	537	-	-
Restricted Assets:			
Investments	-	-	-
Total Assets	\$ 2,498	\$ 5	\$ 27
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 92	\$ 13	\$ -
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	24	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
Total Liabilities	92	37	-
Fund Balances (Deficit):			
Reserved for Encumbrances	14	-	-
Reserved for Inventory of Supplies	533	-	-
Reserved for Long-Term Notes and Accounts Receivable	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	245	-	-
Undesignated	1,614	(32)	27
Total Fund Balance (Deficit)	2,406	(32)	27
Total Liabilities and Fund Balance (Deficit)	\$ 2,498	\$ 5	\$ 27

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition	Site Development	Marina Development
Assets				
Equity in Pooled Cash	\$ 255	\$ 56	\$	1
Other Cash	-	-	-	-
Investments	-	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	16	-	-	-
Special Assessments	-	-	-	-
Notes	-	-	-	-
Interfund Receivable	-	-	-	-
Prepaid Expenditures	-	-	-	-
Inventory of Supplies	-	-	-	-
Restricted Assets:				
Investments	-	-	-	-
Total Assets	\$ 271	\$ 56	\$	1
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ -	\$	2
Escrow	-	-	-	-
Retainages	-	-	-	-
Interfund Payable	-	-	-	48
Due to Other Governments	-	-	-	-
Deferred Revenue	-	-	-	-
Other Current Liabilities	-	-	-	-
Payable From Restricted Assets:				
Notes Payable	-	-	-	-
Total Liabilities	-	-	-	50
Fund Balances (Deficit):				
Reserved for Encumbrances	-	-	-	1
Reserved for Inventory of Supplies	-	-	-	-
Reserved for Long-Term Notes and Accounts Receivable	-	-	-	-
Reserved for Prepaid Expenditures	-	-	-	-
Designated for Subsequent Years Expenditures	-	-	-	-
Undesignated	271	56		(50)
Total Fund Balance (Deficit)	271	56		(49)
Total Liabilities and Fund Balance (Deficit)	\$ 271	\$ 56	\$	1

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
Assets			
Equity in Pooled Cash	\$ 3,799	\$ -	\$ 288
Other Cash	-	-	-
Investments	78	2,360	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	22	14	433
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Restricted Assets:			
Investments	-	-	-
Total Assets	\$ 3,899	\$ 2,374	\$ 721
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 136	\$ -	\$ 642
Escrow	273	-	-
Retainages	-	-	-
Interfund Payable	-	2	1,191
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	1	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
Total Liabilities	410	2	1,833
Fund Balances (Deficit):			
Reserved for Encumbrances	-	-	1,022
Reserved for Inventory of Supplies	-	-	-
Reserved for Long-Term Notes and Accounts Receivable	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	3,489	2,372	(2,134)
Total Fund Balance (Deficit)	3,489	2,372	(1,112)
Total Liabilities and Fund Balance (Deficit)	\$ 3,899	\$ 2,374	\$ 721

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds
Assets	
Equity in Pooled Cash	\$ 13,145
Other Cash	1
Investments	2,451
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	3,142
Special Assessments	-
Notes	480
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	537
Restricted Assets:	
Investments	-
Total Assets	\$ 19,756
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 1,783
Escrow	450
Retainages	-
Interfund Payable	1,265
Due to Other Governments	2
Deferred Revenue	-
Other Current Liabilities	1
Payable From Restricted Assets:	
Notes Payable	-
Total Liabilities	3,501
Fund Balances (Deficit):	
Reserved for Encumbrances	5,051
Reserved for Inventory of Supplies	533
Reserved for Long-Term Notes and Accounts Receivable	519
Reserved for Prepaid Expenditures	-
Designated for Subsequent Years Expenditures	245
Undesignated	9,907
Total Fund Balance (Deficit)	16,255
Total Liabilities and Fund Balance (Deficit)	\$ 19,756

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City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
<hr/>			
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	9,792	6,332	-
Charges for Services	45	92	-
Investment Earnings	4	6	24
Fines and Forfeitures	-	436	-
All Other Revenue	1	615	-
<hr/> Total Revenues	<hr/> 9,842	<hr/> 7,481	<hr/> 24
<hr/>			
Expenditures:			
Current:			
General Government	-	7	-
Public Service	-	-	-
Public Safety	-	2,117	-
Public Utilities	-	-	-
Community Environment	9,308	1,911	-
Health	-	1,601	-
Parks and Recreation	-	3	-
Capital Outlay	138	917	-
Debt Service:			
Principal Retirement	167	-	-
Interest and Fiscal Charges	149	-	-
<hr/> Total Expenditures	<hr/> 9,762	<hr/> 6,556	<hr/> -
<hr/>			
Excess (Deficiency) of Revenues over Expenditures	80	925	24
<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers In	950	772	-
Transfers (Out)	(1,499)	(410)	-
Note Proceeds	665	-	-
Sale of Fixed Assets	18	-	-
<hr/> Total Other Financing Sources and (Uses)	<hr/> 134	<hr/> 362	<hr/> -
<hr/>			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	214	1,287	24
Fund Balances (Deficit) at Beginning of Year	3,682	2,490	1,130
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 3,896	\$ 3,777	\$ 1,154
<hr/>			

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Street Construction	Maintenance and Repair	Cemetery Maintenance	Golf Improvements
Revenues:				
Special Assessments	\$	-	\$	\$
Licenses and Permits		3		-
Intergovernmental Services		10,829		-
Charges for Services		18		-
Investment Earnings		-	10	106
Fines and Forfeitures		82	-	-
All Other Revenue		2	-	-
Total Revenues		10,934	10	106
Expenditures:				
Current:				
General Government		-		-
Public Service		9,508		-
Public Safety		87		-
Public Utilities		1,043		-
Community Environment		9		-
Health		-	35	-
Parks and Recreation		-	-	-
Capital Outlay		31		-
Debt Service:				
Principal Retirement		-		-
Interest and Fiscal Charges		-		-
Total Expenditures		10,678	35	-
Excess (Deficiency) of Revenues over Expenditures		256	(25)	106
Other Financing Sources (Uses):				
Transfers In		38	-	-
Transfers (Out)		(433)	-	(150)
Note Proceeds		-	-	-
Sale of Fixed Assets		-	-	-
Total Other Financing Sources and (Uses)		(395)	-	(150)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(139)	(25)	(44)
Fund Balances (Deficit) at Beginning of Year		2,545	(7)	71
Increase in Reserve for Inventory/Notes		-	-	-
Fund Balance (Deficit) at Year End	\$	2,406	\$ (32)	\$ 27

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition	Site Development	Marina Development
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	24		108
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	59	-	-	-
Total Revenues	59	24		108
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	20		-
Parks and Recreation	-	-	-	135
Capital Outlay	107	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	107	20		135
Excess (Deficiency) of Revenues over Expenditures	(48)	4		(27)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-		-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(48)	4		(27)
Fund Balances (Deficit) at Beginning of Year	319	52		(22)
Increase in Reserve for Inventory/Notes	-	-	-	-
Fund Balance (Deficit) at Year End	\$ 271	\$ 56		\$ (49)

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
Revenues:			
Special Assessments	\$	\$	\$
Licenses and Permits	-	-	-
Intergovernmental Services	(266)	-	1,908
Charges for Services	178	-	-
Investment Earnings	389	64	-
Fines and Forfeitures	-	-	-
All Other Revenue	1,321	-	-
Total Revenues	1,622	64	1,908
Expenditures:			
 Current:			
General Government	264	86	-
Public Service	-	-	-
Public Safety	766	-	-
Public Utilities	-	-	-
Community Environment	-	-	2,043
Health	111	-	-
Parks and Recreation	56	-	-
Capital Outlay	(2)	-	-
 Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	1,195	86	2,043
Excess (Deficiency) of Revenues over Expenditures	427	(22)	(135)
Other Financing Sources (Uses):			
Transfers In	981	-	88
Transfers (Out)	(1,164)	(1,301)	(17)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
Total Other Financing Sources and (Uses)	(183)	(1,301)	71
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	244	(1,323)	(64)
Fund Balances (Deficit) at Beginning of Year	3,245	3,695	(1,048)
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 3,489	\$ 2,372	\$ (1,112)

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds
Revenues:	
Special Assessments	\$ -
Licenses and Permits	3
Intergovernmental Services	28,595
Charges for Services	571
Investment Earnings	497
Fines and Forfeitures	518
All Other Revenue	1,998

Total Revenues	32,182

Expenditures:	
Current:	
General Government	357
Public Service	9,508
Public Safety	2,970
Public Utilities	1,043
Community Environment	13,271
Health	1,767
Parks and Recreation	194
Capital Outlay	1,191
Debt Service:	
Principal Retirement	167
Interest and Fiscal Charges	149

Total Expenditures	30,617

Excess (Deficiency) of Revenues over Expenditures	1,565

Other Financing Sources (Uses):	
Transfers In	2,829
Transfers (Out)	(4,974)
Note Proceeds	665
Sale of Fixed Assets	18

Total Other Financing Sources and (Uses)	(1,462)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	103
Fund Balances (Deficit) at Beginning of Year	16,152
Increase in Reserve for Inventory/Notes	-

Fund Balance (Deficit) at Year End	\$ 16,255
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City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

Federal Block Grants					
	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	
Revenues:					
Special Assessments	\$ -	\$ -	\$ -	\$ -	-
Licenses and Permits					-
Intergovernmental Services		- 14,720	9,792		(4,928)
Charges for Services		- 33	45		12
Investment Earnings	27	27	4		(23)
Fines and Forfeitures		-	-		-
All Other Revenue		- 1	1		-
Total Revenues	27	14,781	9,842		(4,939)
Expenditures:					
Current:					
General Government	(4)	9	-		9
Public Service	-	-	-		-
Public Safety	-	-	-		-
Public Utilities	-	-	-		-
Community Environment	8,435	16,465	9,308		7,157
Health	-	-	-		-
Parks and Recreation	-	-	-		-
Capital Outlay	236	420	138		282
Debt Service:					
Principal Retirement	88	185	167		18
Interest and Fiscal Charges	91	205	149		56
Total Expenditures	8,846	17,284	9,762		7,522
Excess (Deficiency) of Revenues over Expenditures	(8,819)	(2,503)	80		2,583
Other Financing Sources (Uses):					
Transfers In	404	951	950		(1)
Transfers (Out)	(184)	(1,707)	(1,499)		208
Note Proceeds	665	665	665		-
Sale of Fixed Assets	-	20	18		(2)
Total Other Financing Sources and (Uses)	885	(71)	134		205
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (7,934)	\$ (2,574)	214	\$ 2,788	
Fund Balances (Deficit) at Beginning of Year			3,682		-
Increase in Reserve for Inventory				\$ 3,896	
Fund Balance (Deficit) at Year End					

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Operation Grants			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	639	24,379	6,332	(18,047)
Charges for Services	-	65	92	27
Investment Earnings	-	(2)	6	8
Fines and Forfeitures	-	383	436	53
All Other Revenue	32	636	615	(21)
Total Revenues	671	25,461	7,481	(17,980)
Expenditures:				
Current:				
General Government	-	7	7	-
Public Service	965	595	-	595
Public Safety	3,194	5,096	2,117	2,979
Public Utilities	1	1	-	1
Community Environment	7,516	12,149	1,911	10,238
Health	2,356	4,046	1,601	2,445
Parks and Recreation	12	12	3	9
Capital Outlay	2,401	3,334	917	2,417
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	16,445	25,240	6,556	18,684
Excess (Deficiency) of Revenues over Expenditures	(15,774)	221	925	704
Other Financing Sources (Uses):				
Transfers In	55	774	772	(2)
Transfers (Out)	-	(410)	(410)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	55	364	362	(2)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (15,719)	\$ 585	1,287	\$ 702
Fund Balances (Deficit) at Beginning of Year			2,490	-
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End			\$ 3,777	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

Urban Development Action
 Grant

Initial Budget Final Budget Actual Favorable
 (Unfavorable)
 Variance

Revenues:

Special Assessments	\$	-	\$	-	\$	-	\$	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental Services	-	-	365	-	-	(365)	-	-
Charges for Services	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	24	24	24	24
Fines and Forfeitures	-	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	-	-	365	-	24	(341)	-	-

Expenditures:

Current:

General Government	-	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Utilities	-	-	-	-	-	-	-	-
Community Environment	128	128	-	-	-	128	128	128
Health	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Capital Outlay	192	192	-	-	-	-	-	192
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	320	320	-	-	320	-	320	-

Excess (Deficiency) of Revenues
 over Expenditures

(320)	45	24	(21)
-------	----	----	------

Other Financing Sources (Uses):

Transfers In	-	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	-							

Excess (Deficiency) of Revenues
 and Other Financing Sources
 Over Expenditures and Other
 Financing Uses

\$	(320)	\$	45	24	\$	(21)
----	-------	----	----	----	----	------

Fund Balances (Deficit) at

1,130

Beginning of Year

-

Increase in Reserve for Inventory

Fund Balance (Deficit) at Year End

\$ 1,154

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	3	3
Intergovernmental Services	-	10,494	10,829	335
Charges for Services	-	7	18	11
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	105	82	(23)
All Other Revenue	-	3	2	(1)
Total Revenues	-	10,609	10,934	325
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	10,678	10,072	9,508	564
Public Safety	106	147	87	60
Public Utilities	1,597	1,210	1,043	167
Community Environment	9	9	9	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	73	31	31	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	12,463	11,469	10,678	791
Excess (Deficiency) of Revenues over Expenditures	(12,463)	(860)	256	1,116
Other Financing Sources (Uses):				
Transfers In	-	37	38	1
Transfers (Out)	(538)	(433)	(433)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(538)	(396)	(395)	1
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (13,001)	\$ (1,256)	(139)	\$ 1,117
Fund Balances (Deficit) at Beginning of Year				2,545
Increase in Reserve for Inventory				-
Fund Balance (Deficit) at Year End	\$ 2,406			

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

(Continued)

	Cemetery Maintenance			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	15	10	(5)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	15	10	(5)
Expenditures:				
 Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	24	36	35	1
Parks and Recreation	-	-	-	-
Capital Outlay	12	-	-	-
 Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	36	36	35	1
Excess (Deficiency) of Revenues over Expenditures	(36)	(21)	(25)	(4)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (36)	\$ (21)	(25)	\$ (4)
Fund Balances (Deficit) at Beginning of Year			(7)	-
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End				
			\$ (32)	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
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 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Golf Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	170	106	(64)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	170	106	(64)
Expenditures:				
Current:				
General Government	20	20	-	20
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	20	20	-	20
Excess (Deficiency) of Revenues over Expenditures	(20)	150	106	(44)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	(150)	(150)	(150)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(150)	(150)	(150)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (170)	\$ -	\$ (44)	\$ (44)
Fund Balances (Deficit) at Beginning of Year	71	-		
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End	\$ 27			

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	7	-	(7)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	59	59
Total Revenues	-	7	59	52
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	108	107	1
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	108	107	1
Excess (Deficiency) of Revenues over Expenditures	-	(101)	(48)	53
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ (101)	(48)	\$ 53
Fund Balances (Deficit) at Beginning of Year			319	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 271	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
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 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Cemeteries	Property	Acquisition	Site Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget		Actual			
Revenues:							
Special Assessments	\$ -	\$ -		\$ -	\$ -		
Licenses and Permits	-	-		-	-		
Intergovernmental Services	-	-		-	-		
Charges for Services	-	22		24		2	
Investment Earnings	-	-		-	-		
Fines and Forfeitures	-	-		-	-		
All Other Revenue	-	-		-	-		
Total Revenues	-	22		24		2	
Expenditures:							
Current:							
General Government	-	-		-	-		
Public Service	-	-		-	-		
Public Safety	-	-		-	-		
Public Utilities	-	-		-	-		
Community Environment	-	-		-	-		
Health	20	20		20			
Parks and Recreation	-	-		-	-		
Capital Outlay	-	-		-	-		
Debt Service:							
Principal Retirement	-	-		-	-		
Interest and Fiscal Charges	-	-		-	-		
Total Expenditures	20	20		20		-	
Excess (Deficiency) of Revenues over Expenditures	(20)	2		4		2	
Other Financing Sources (Uses):							
Transfers In	-	-		-	-		
Transfers (Out)	-	-		-	-		
Note Proceeds	-	-		-	-		
Sale of Fixed Assets	-	-		-	-		
Total Other Financing Sources and (Uses)	-	-		-		-	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (20)	\$ 2		4	\$ 2		
Fund Balances (Deficit) at Beginning of Year							
Increase in Reserve for Inventory							
Fund Balance (Deficit) at Year End	\$ -	\$ 56					

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
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 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

(Continued)

	Marina Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	120	108	(12)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	120	108	(12)
Expenditures:				
 Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	135	136	135	1
Capital Outlay	-	-	-	-
 Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	135	136	135	1
Excess (Deficiency) of Revenues over Expenditures	(135)	(16)	(27)	(11)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (135)	\$ (16)	(27)	\$ (11)
Fund Balances (Deficit) at Beginning of Year			(22)	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (49)	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
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 Fund Balances

-Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	(266)	(266)
Charges for Services	-	-	178	178
Investment Earnings	-	-	389	389
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	100	1,321	1,221
	-	100	1,622	1,522
Total Revenues	-	-	-	-
Expenditures:				
Current:				
General Government	1,649	1,743	264	1,479
Public Service	-	-	-	-
Public Safety	710	1,721	766	955
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	747	870	111	759
Parks and Recreation	193	407	56	351
Capital Outlay	-	-	(2)	2
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-	-	-	-
Total Expenditures	3,299	4,741	1,195	3,546
Excess (Deficiency) of Revenues over Expenditures	(3,299)	(4,641)	427	5,068
Other Financing Sources (Uses):				
Transfers In	-	-	981	981
Transfers (Out)	(47)	(1,164)	(1,164)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-	-	-	-
Total Other Financing Sources and (Uses)	(47)	(1,164)	(183)	981
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3,346)	\$ (5,805)	\$ 244	\$ 6,049
Fund Balances (Deficit) at Beginning of Year			3,245	-
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End			\$ 3,489	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances

-Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

(Continued)

	Toledo City Parks			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	64	64
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	-	64	64
Expenditures:				
Current:				
General Government	2	88	86	2
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	2	88	86	2
Excess (Deficiency) of Revenues over Expenditures	(2)	(88)	(22)	66
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	(1,300)	(1,301)	1
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	(1,300)	(1,301)	1
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (2)	\$ (1,388)	\$ (1,323)	\$ 67
Fund Balances (Deficit) at Beginning of Year			3,695	-
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End			\$ 2,372	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
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 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

Toledo Home Program

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	8,068	1,908	(6,160)
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	8,068	1,908	(6,160)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	4,161	7,001	2,043	4,958
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	4,161	7,001	2,043	4,958
Excess (Deficiency) of Revenues over Expenditures	(4,161)	1,067	(135)	(1,202)
Other Financing Sources (Uses):				
Transfers In	-	88	88	-
Transfers (Out)	-	(17)	(17)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	71	71	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (4,161)	\$ 1,138	\$ (64)	\$ (1,202)
Fund Balances (Deficit) at Beginning of Year				
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End				
			\$ (1,048)	
			\$ (1,112)	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
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 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	3	3
Intergovernmental Services	639	58,026	28,595	(29,431)
Charges for Services	-	424	571	147
Investment Earnings	27	40	497	457
Fines and Forfeitures	-	488	518	30
All Other Revenue	32	740	1,998	1,258
Total Revenues	698	59,718	32,182	(27,536)
Expenditures:				
Current:				
General Government	1,667	1,867	357	1,510
Public Service	11,643	10,667	9,508	1,159
Public Safety	4,010	6,964	2,970	3,994
Public Utilities	1,598	1,211	1,043	168
Community Environment	20,249	35,752	13,271	22,481
Health	3,147	4,972	1,767	3,205
Parks and Recreation	340	555	194	361
Capital Outlay	2,914	4,085	1,191	2,894
Debt Service:	-	-	-	-
Principal Retirement	88	185	167	18
Interest and Fiscal Charges	91	205	149	56
Total Expenditures	45,747	66,463	30,617	35,846
Excess (Deficiency) of Revenues over Expenditures	(45,049)	(6,745)	1,565	8,310
Other Financing Sources (Uses):				
Transfers In	459	1,850	2,829	979
Transfers (Out)	(919)	(5,181)	(4,974)	207
Note Proceeds	665	665	665	-
Sale of Fixed Assets	0	20	18	(2)
Total Other Financing Sources and (Uses):	205	(2,646)	(1,462)	1,184
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (44,844)	\$ (9,391)	103	\$ 9,494
Fund Balances (Deficit) at Beginning of Year			16,152	-
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End			\$ 16,255	

**CITY OF TOLEDO, OHIO
DEBT SERVICE FUNDS
DECEMBER 31, 2003**

General Obligation - To account for City income tax monies transferred from the Capital Improvement Fund.

Urban Renewal - To account for semiannual Urban Renewal Service payments to be used exclusively for payment of Urban Renewal bonds issued pursuant to 725.01-725.11 inclusive of the Ohio Revised Code.

Special Assessment Debt Service - To account for resources accumulated to repay special assessment notes and bond debt.

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City of Toledo, Ohio
 Non-Major Funds
 Debt Service Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	General Obligation	Urban Renewal	Special Assessment Debt Service	Total Non-Major Funds
Assets	-----	-----	-----	-----
Equity in Pooled Cash	\$ 2	\$ -	\$ 29	\$ 31
Receivables (Net of Allowance for Uncollectible Accounts):				
Special Assessments	-	-	751	751
Interfund Receivable	-	-	-	-
Prepaid Expenditures	-			
Restricted Assets:				
Other Cash	-	-	-	-
Investments	-	-	-	-
Total Assets	\$ 2	\$ -	\$ 780	\$ 782
Liabilities and Fund Balances	=====	=====	=====	=====
Liabilities	=====	=====	=====	=====
Accounts Payable	\$ 2	\$ -	\$ -	\$ 2
Deferred Revenue	-	-	751	751
Total Liabilities	2	-	751	753
Fund Balances (Deficit):	=====	=====	=====	=====
Reserved for Debt Service	-	-	29	29
Reserved for Prepaid Expenditures	-	-	-	-
Total Fund Balance (Deficit)	-	-	29	29
Total Liabilities and Fund Balance (Deficit)	\$ 2	\$ -	\$ 780	\$ 782

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City of Toledo, Ohio
 Non-Major Funds
 Debt Service Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	General Obligation	Urban Renewal	Special Assessment Debt Service	Total Non-Major Funds
Revenues:				
Special Assessments	\$ -	\$ -	\$ 142	\$ 142
Intergovernmental Services	-	391	-	391
Investment Earnings	-	1	-	1
Total Revenues	-	392	142	534
Expenditures:				
Debt Service:				
Principal Retirement	9,595	146	112	9,853
Interest and Fiscal Charges	4,228	10	26	4,264
Total Expenditures	13,823	156	138	14,117
Excess (Deficiency) of Revenues over Expenditures	(13,823)	236	4	(13,583)
Other Financing Sources (Uses):				
Transfers In	13,823	-	-	13,823
Transfers (Out)	-	(426)	-	(426)
Refunding Bonds Issued	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	13,823	(426)	-	13,397
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(190)	4	(186)
Fund Balances (Deficit) at Beginning of Year	-	190	25	215
Fund Balance (Deficit) at Year End	\$ -	\$ -	\$ 29	\$ 29

City of Toledo, Ohio
 Debt Service Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	General Obligation			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
	-----	-----	-----	-----
Total Revenues	-	-	-	-
	-----	-----	-----	-----
Expenditures:				
Debt Service:				
Principal Retirement	9,595	9,595	9,595	-
Interest and Fiscal Charges	4,349	4,228	4,228	-
	-----	-----	-----	-----
Total Expenditures	13,944	13,823	13,823	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	(13,944)	(13,823)	(13,823)	-
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	13,823	13,823	-
Transfers (Out)	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	13,823	13,823	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (13,944)	\$ -	\$ -	\$ -
Fund Balances (Deficit) at Beginning of Year				
Fund Balance (Deficit) at Year End	\$ -			

City of Toledo, Ohio
 Debt Service Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Urban Renewal			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	197	391	194
Investment Earnings	-	5	1	(4)
Total Revenues	-	202	392	190
Expenditures:				
Debt Service:				
Principal Retirement	139	146	146	-
Interest and Fiscal Charges	63	10	10	-
Total Expenditures	202	156	156	-
Excess (Deficiency) of Revenues over Expenditures	(202)	46	236	190
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	(426)	(426)	-
Refunding Bonds Issued	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	-	(426)	(426)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (202)	\$ (380)	\$ (190)	\$ 190
Fund Balances (Deficit) at Beginning of Year			190	
Fund Balance (Deficit) at Year End			-	

City of Toledo, Ohio
 Debt Service Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Special Assessment	Debt Service	Favorable (Unfavorable)
	Initial Budget	Final Budget	Variance
Revenues:			
Special Assessments	\$ -	\$ 270	\$ 142
Intergovernmental Services	-	-	-
Investment Earnings	-	-	-
Total Revenues	-	270	142
Expenditures:			
Debt Service:			
Principal Retirement	112	112	112
Interest and Fiscal Charges	30	30	26
Total Expenditures	142	142	138
Excess (Deficiency) of Revenues over Expenditures	(142)	128	4
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Refunding Bonds Issued	-	-	-
Premium on Bond	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Total Other Financing Sources and (Uses)	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (142)	\$ 128	\$ 4
Fund Balances (Deficit) at Beginning of Year	=====	=====	=====
Fund Balance (Deficit) at Year End	\$ 25	\$ 29	\$ (124)

City of Toledo, Ohio
 Debt Service Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Total				Favorable (Unfavorable) Variance
	Initial	Budget	Final Budget	Actual	
Revenues:					
Special Assessments	\$	-	\$ 270	\$ 142	\$ (128)
Intergovernmental Services		-	197	391	194
Investment Earnings		-	5	1	(4)
Total Revenues		-	472	534	62
Expenditures:					
Debt Service:					
Principal Retirement	9,846		9,853	9,853	-
Interest and Fiscal Charges	4,442		4,268	4,264	4
Total Expenditures	14,288		14,121	14,117	4
Excess (Deficiency) of Revenues over Expenditures	(14,288)		(13,649)	(13,583)	66
Other Financing Sources (Uses):					
Transfers In		-	13,823	13,823	-
Transfers (Out)		-	(426)	(426)	-
Refunding Bonds Issued		-	-	-	-
Premium on Bond		-	-	-	-
Payment to Refunded Bond Escrow Agent		-	-	-	-
Total Other Financing Sources and (Uses)		-	13,397	13,397	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (14,288)		\$ (252)	(186)	\$ 66
Fund Balances (Deficit) at Beginning of Year				215	
Fund Balance (Deficit) at Year End				\$ 29	

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**CITY OF TOLEDO, OHIO
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2003**

Special Assessment Improvements - To account for proceeds of special assessments (and related note bond sales) levied against property benefited by various capital construction projects.

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City of Toledo, Ohio
 Non-Major Funds
 Capital Projects Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Special Assessment Improvements
<hr/>	
Assets	
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	\$ -
Special Assessments	1,665
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Investments	421
	<hr/>
Total Assets	\$ 2,086
	<hr/>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 3
Escrow	-
Retainages	27
Interfund Payable	111
Due to Other Governments	-
Deferred Revenue	1,666
Other Current Liabilities	
Debt:	
Notes Payable	1,585
	<hr/>
Total Liabilities	3,392
	<hr/>
Fund Balances (Deficit):	
Reserved for Encumbrances	180
Reserved for Inventory of Supplies	-
Reserved for Capital Improvements	-
Reserved for Prepaid Expenditures	-
Undesignated	(1,486)
	<hr/>
Total Fund Balance (Deficit)	(1,306)
	<hr/>
Total Liabilities and Fund Balance (Deficit)	\$ 2,086
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City of Toledo, Ohio
 Non-Major Funds
 Capital Projects Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Special Assessment Improvements
Revenues:	
Special Assessments	\$ 328
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	(3)
All Other Revenue	-
 Total Revenues	 325
 Expenditures:	
Capital Outlay	512
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	34
 Total Expenditures	 546
 Excess (Deficiency) of Revenues over Expenditures	 (221)
 Other Financing Sources (Uses):	
Transfers In	-
Transfers (Out)	-
Bond Proceeds	120
Note Proceeds	-
Premiums on Bond	7
Other	-
 Total Other Financing Sources and (Uses)	 127
 Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	 (94)
 Fund Balances (Deficit) at Beginning of Year	 (1,212)
Increase in Reserve for Inventory	-
 Fund Balance (Deficit) at Year End	 \$ (1,306)

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City of Toledo, Ohio
 Capital Projects Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances

-Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Special Assessment Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
<hr/>				
Revenues:				
Special Assessments	\$	-	\$	\$
Intergovernmental Services		-	-	-
Charges for Services		-	-	-
Investment Earnings		-	-	(3)
All Other Revenue		-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues		-	-	325
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Capital Outlay	376		876	512
Debt Service:				364
Principal Retirement	-		-	-
Interest and Fiscal Charges	274		324	34
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	650		1,200	546
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	(650)		(1,200)	(221)
	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):				
Transfers In	-		-	-
Bond Proceeds	-		1,585	120
Premiums on Bond	-		-	7
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and (Uses)	-		1,585	127
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$	(650)	\$	\$
Fund Balances (Deficit) at Beginning of Year			385	(94)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance (Deficit) at Year End				(479)
	<hr/>	<hr/>	<hr/>	<hr/>
				(1,212)
				\$ (1,306)
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**CITY OF TOLEDO, OHIO
PERMANENT FUNDS
DECEMBER 31, 2003**

PERMANENT FUNDS

Cemetery Perpetual Care - To account for revenues from sales of plots in the City's five cemeteries. Investment earnings, if any, from this Fund are credited to the Cemetery Maintenance Fund as directed by legislation.

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City of Toledo, Ohio
 Non-Major Funds
 Permanent Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Permanent Funds
Assets	
Equity in Pooled Cash	\$ 33
Other Cash	-
Investments	709
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	-
Special Assessments	-
Notes	-
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Other Cash	-
Investments	-
Total Assets	\$ 742
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ -
Escrow	26
Retainages	-
Interfund Payable	-
Due to Other Governments	-
Deferred Revenue	-
Other Current Liabilities	-
Payable From Restricted Assets:	
Notes Payable	-
Total Liabilities	26
	=====
Fund Balances (Deficit):	
Reserved for Debt Service	-
Reserved for Encumbrances	-
Reserved for Inventory of Supplies	-
Reserved for Long-Term Notes	
Receivable	-
Reserved for Prepaid	
Expenditures	-
Designated for Subsequent	
Years Expenditures	-
Undesignated	716
Total Fund Balance (Deficit)	716
	=====
Total Liabilities and	
Fund Balance (Deficit)	\$ 742
	=====

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City of Toledo, Ohio
 Non-Major Funds
 Permanent Funds
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Permanent Funds
Revenues:	
Special Assessments	\$ -
Licenses and Permits	- -
Intergovernmental Services	- -
Charges for Services	- -
Investment Earnings	6 -
Fines and Forfeitures	- -
All Other Revenue	- -
 Total Revenues	 6 -
 Expenditures:	
Current:	
General Government	- -
Public Service	- -
Public Safety	- -
Public Utilities	- -
Community Environment	- -
Health	- -
Parks and Recreation	- -
Capital Outlay	- -
Debt Service:	
Principal Retirement	- -
Interest and Fiscal Charges	- -
 Total Expenditures	 - -
 Excess (Deficiency) of Revenues over Expenditures	 6 -
 Other Financing Sources (Uses):	
Transfers In	- -
Transfers (Out)	- -
Sale of Fixed Assets	- -
Bond Proceeds	- -
Premium on Bond	- -
Investment Earnings	- -
Other Revenue (Expenses)	- -
 Total Other Financing Sources and (Uses)	 - -
 Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	 6 -
 Fund Balances (Deficit) at Beginning of Year	710 -
Increase in Reserve for Inventory/Notes	- -
 Fund Balance (Deficit) at Year End	 \$ 716 =====

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**CITY OF TOLEDO, OHIO
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2003**

Storm Sewer – To account for storm drainage services provided to individual and commercial residents of the City.

Utility Administrative Services - To account for operating overhead activities not specifically allocable to either of the two utility funds.

Parking - To account for the provision of on-and-off street facilities.

Property Management - To facilitate accountability and control of certain properties acquired for the purpose of property management. The City accounts for such properties on a capital maintenance basis similar to private business enterprises, to aid in the recovery of on-going costs for the production of income by such properties, and to facilitate management and accounting control.

Small Business Development - To account for the assets of the former Small Business Assistance Corporation, which the City of Toledo assumed in 1989.

By virtue of Ohio law, certain separate funds are maintained for enterprise debt service and capital improvements. Inasmuch as GASB Statement 1 requires that all such activities be accounted for within the respective Enterprise Fund itself, the City has consolidated the various legally-required funds into the categories indicated above for purposes of these financial statements.

City of Toledo, Ohio
 Enterprise Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Non Major Enterprise Funds					Small	Total			
	Utility	Administrative	Property Management	Business Development	Non Major Enterprise	Business	Total			
	Storm Sewer Services	Parking				Management	Development			
Assets										
Current Assets										
Equity in Pooled Cash	\$ 8,162	\$ 6	\$ -	\$ 474	\$ 529	\$ 9,171				
Other Cash	-	-	-	1	-	-	1			
Investments	7,266	8,503	-	696	14	16,479				
Receivables (Net of Allowance for Uncollectible Accounts):										
Accounts	1,309	19	-		114	1,442				
Notes	-	-	-	20,240	-	20,240				
Interfund Receivable	-	-	-	-	-	-				
Due From Other Governments	22	-	-	-	-	-	22			
Prepaid Expenses	-	102	-	-	1	103				
Inventory of Supplies	-	39	-	-	-	-	39			
Total Current Assets	16,759	8,669	-	21,411	658	47,497				
Property, Plant and Equipment										
Land	-	-	6,549	2,010	153	8,712				
Buildings	-	4,538	23,644	667	-	28,849				
Improvements	1,527	53	805	2,207	1,406	5,998				
Machinery and Equipment	402	550	271	-	35	1,258				
Furniture and Fixtures	-	605	9	-	3	617				
Distribution System	-	-	-	-	-	-				
Construction in Progress	6,855	-	-	-	-	6,855				
Less: Accumulated Depreciation	(130)	(3,075)	(7,471)	(685)	(875)	(12,236)				
Net Property, Plant and Equipment	8,654	2,671	23,807	4,199	722	40,053				
Other Assets:										
Deferred Debt Issuance Cost	-	-	-	-	-	-				
Total Assets	\$ 25,413	\$ 11,340	\$ 23,807	\$ 25,610	\$ 1,380	\$ 87,550				

City of Toledo, Ohio
 Enterprise Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Storm	Sewer	Utility Services	Administrative Parking	Property Management	Small Business Development	Total Non Major Enterprise
Liabilities and Fund Equity							
Current Liabilities:							
Accounts Payable	\$ 65	\$ 48	\$ -	\$ 1	\$ 7	\$ 121	
Escrow	-	-	35	-	-	-	35
Retainages	6	-	-	-	-	-	6
Interfund Payable	7,217	7,461	416	128	-	-	15,222
Due to Other Governments	-	-	-	-	-	-	-
Other Current Liabilities	-	-	13	-	38	-	51
Total Current Liabilities	7,288	7,509	464	129	45	15,435	
Long-Term Debt:							
Current Portion	-	158	804	400	-	-	1,362
Notes Payable	1,265	-	-	-	-	-	1,265
General Obligation Bonds Payable	-	-	2,070	25,703	-	-	27,773
Revenue Bonds Payable	-	-	-	-	-	-	-
Capital Lease Obligation	-	3,190	6,564	-	-	-	9,754
Total Long-Term Liabilities	1,265	3,348	9,438	26,103	-	-	40,154
Total Liabilities	8,553	10,857	9,902	26,232	45	55,589	
Net Assets							
Invested in Capital Assets							-
net of related debt:							
Reserved for Debt Service	7,389	(677)	14,370	(21,904)	722	-	(100)
106	-	-	-	-	-	-	106
Reserved for Replacement	3,026	-	-	-	-	-	3,026
Reserved for Improvement	12,313	-	-	-	-	-	12,313
Unrestricted	(5,974)	1,160	(465)	21,282	613	-	16,616
Total Net Assets	\$ 16,860	\$ 483	\$ 13,905	\$ (622)	\$ 1,335	\$ 31,961	

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City of Toledo, Ohio
 Enterprise Fund Types
 Combining Statement of Revenues,
 Expenses and Changes in Net Assets
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Storm	Sewer	Utility Services	Administrative Parking	Property Management	Small Business Development	Small Business Development	Total
Operating Revenues:								
Charges for Services	\$ 8,264	\$ 13	\$ 8,004	\$ 81	\$ 592	\$ 764	\$ 871	\$ 17,783
Other Revenue							15	873
Total Operating Revenues	8,277		8,085		1,356		886	52
								18,656
Operating Expenses:								
Personal Services	2,465		5,323		-		13	7,801
Contractual Services	1,607		1,540		-		12	26
Materials and Supplies	119		338		-		-	457
Utilities	19		64		-		16	99
Depreciation and Amortization	108		397		578		220	-
Total Operating Expenses	4,318		7,662		578		232	55
								12,845
Operating Income (Loss)	3,959		423		778		654	(3)
								5,811
Nonoperating Revenues (Expenses):								
Investment Earnings	124		117		-		573	-
Interest Expense and Fiscal Charges	(29)		(296)		(626)		(1,554)	-
Sale of Fixed Assets	-		-		-		(4,614)	-
State Grants	854		-		-		-	854
Other Revenue (Expenses)	-		-		-		(911)	-
Total Nonoperating Revenues (Expenses)	949		(179)		(626)		(6,506)	-
								(6,362)
Income (Loss) before Operating Transfers								
	4,908		244		152		(5,852)	(3)
								(551)
Operating Transfers In	-		20		-		911	-
Operating Transfers (Out)	-		-		(50)		(474)	-
Total Operating Transfers In (Out)	-		20		(50)		437	-
								407
Net Income (Loss)	4,908		264		102		(5,415)	(3)
								(144)
Net Assets at Beginning of Year	11,952		219		13,803		4,793	1,338
Net Assets at End of Year	16,860		483		13,905		(622)	1,335
								31,961

City of Toledo, Ohio
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Business Development	Non-Major Enterprise
Cash Flows from Operating Activity						
Receipts from Customers	\$ 8,245 (559)	\$ 8,085 (2,339)	\$ 1,392 (5,323)	\$ 1,941 -	\$ 143 89	\$ 19,806 (2,835)
Payments to Suppliers	(2,465)	-	-	-	-	(7,801)
Payment to Employees	-	-	-	-	-	-
Internal Activity	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activity	5,221	423	1,392	2,030	104	9,170
Cash Flows from Noncapital Financing Activities						
Transfers In	-	20	-	911	-	931
Transfers Out	-	-	(50)	(474)	-	(524)
Net Cash Provided by (Used for) Noncapital Financing Activities	-	20	(50)	437	-	407
Cash Flows from Capital & Related Financing Activities						
Acquisition and Construction of Capital Assets	(1,217) (121)	(21) (242)	- (715)	- (928)	-	(1,238) (2,006)
Principal Paid on Bond Maturities	-	-	-	-	-	-
Issuance of Revenue Bonds and Notes	-	-	-	-	-	-
Interest Expense and Fiscal Charges	(30)	(296)	(627)	(1,554)	-	(2,507)
Proceeds from Sale of Capital Assets/Grants/Other expenses	840	-	-	(911)	-	(71)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(528)	(559)	(1,342)	(3,393)	-	(5,822)
Cash Flows from Investing Activities						
Purchase of Investment Securities	(2,524)	(26,108)	-	(1,634)	-	(30,266)
Sale and Maturity of Investment Securities	-	26,109	-	1,604	-	27,713
Investment Earnings and Dividends on Investments	\$ 124	\$ 115	\$ -	\$ 573	\$ -	812
Net Cash Provided by (Used for) Investing Activities	(2,400)	116	-	543	-	(1,741)
Net Increase (Decrease) in Cash & Cash Equivalents	2,293	-	-	(383)	104	2,014
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	5,869	-	-	856	431	7,156
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ 8,162	\$ -	\$ -	\$ 473	\$ 535	\$ 9,170

City of Toledo, Ohio
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousand)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Non Major Enterprise
Cash Flows from Operating Activity:						
Operating Income (Loss)	\$ 3,959	\$ 423	\$ 778	\$ 654	\$ (3)	\$ 5,811
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:	108	397	578	220	-	1,303
Depreciation and Amortization						
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(32)	34		1,056	92	1,150
(Increase) Decrease in Prepaid Expenses		(27)		11	7	(9)
(Increase) Decrease in Interfund Receivable		8				8
(Increase) Decrease in Due from Other Governments						-
(Increase) Decrease in Deferred Debt Issuance Costs						
(Increase) Decrease in Inventory of Supplies						
Decrease (Decrease) in Accounts Payable	(316)	(31)		(36)	7	(376)
Increase (Decrease) in Escrow						10
Increase (Decrease) in Retainage	(168)			(2)	1	(169)
Increase (Decrease) in Interfund Payable	1,662	(303)	29	127		1,515
Increase (Decrease) in Other Current Liabilities		(38)	(3)			(41)
Total Adjustments	1,262	-	614	1,376	107	3,359
Net Cash Provided by (Used for) Operating Activities	\$ 5,221	\$ 423	\$ 1,392	\$ 2,030	\$ 104	\$ 9,170

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**CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003**

Municipal Garage - To account for the costs of a maintenance facility for automotive equipment used by various City departments. The actual costs of labor and material utilized are reimbursed to this Fund by the user departments.

Capital Replacement - To account for interdepartmental charges assessed for the improvement and replacement of the City's capital equipment.

Storeroom and Printshop - To account for small supplies consumed by and printing services provided to various City departments. The actual costs of supplies requisitioned and labor and materials utilized are reimbursed to this Fund by the user departments.

Data Processing - To account for the costs of data processing services provided to various City departments. The actual costs of materials and services are reimbursed to this Fund by the user departments.

Risk Management - to account for the City's insurance program related to property and liability loss exposure. The payment of self-insured losses, insurance in excess of retention levels and related loss financing expenditures are accounted for in this fund.

Workers' Compensation - To account for the City's Worker's Compensation Program under the State of Ohio's Retrospective Rating Plan. The payment of premiums, assessments and claims to the State Bureau of Worker's Compensation, and their allocation to the responsible funds are accounted for in this fund.

City of Toledo, Ohio
 Internal Service Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop
<hr/>			
Assets			
Current Assets			
Equity in Pooled Cash	\$ 125	\$ 3,418	\$ 24
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	46	10	-
Interfund Receivable	-	-	-
Prepaid Expenditures	76		
Inventory of Supplies	676	-	40
Investments at Cost	-	2,157	-
Total Current Assets	923	5,585	64
<hr/>			
Property, Plant and Equipment			
Land	350	-	-
Buildings	1,111	-	-
Improvements	172	161	-
Machinery and Equipment	51,418	2,143	61
Furniture and Fixtures	11	19	4
Less: Accumulated Depreciation	(40,203)	(905)	(64)
Net Property, Plant and Equipment	12,859	1,418	1
Total Assets	\$ 13,782	\$ 7,003	\$ 65
<hr/>			
Liabilities and Fund Equity			
Current Liabilities:			
Accounts Payable	\$ 527	\$ 15	\$ 29
Retainages	-	-	-
Interfund Payable	535	-	-
Other Current Liabilities	405	-	789
Total Current Liabilities	1,467	15	818
Debt:			
Notes Payable	-	2,908	-
General Obligation Bonds Payable	-	-	-
Total Long-Term Liabilities	-	2,908	-
Total Liabilities	1,467	2,923	818
<hr/>			
Net Assets			
Invested in Capital Assets			
net of Related Debt	12,859	(1,490)	1
Reserved for Replacement	-	1,999	-
Unreserved	(544)	3,571	(754)
Total Net Assets	12,315	4,080	(753)
<hr/>			

City of Toledo, Ohio
 Internal Service Funds
 Combining Balance Sheet
 December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Data Processing	Risk Management	Workers' Compensation	Total
Assets				
Current Assets				
Equity in Pooled Cash	\$ 352	\$ 5,420	\$ 11,611	\$ 20,950
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	-	1	-	57
Interfund Receivable	-	-	-	-
Prepaid Expenditures				76
Inventory of Supplies	-	-	-	716
Investments at Cost	-	-	-	2,157
Total Current Assets	352	5,421	11,611	23,956
Property, Plant and Equipment				
Land	-	-	-	350
Buildings	-	-	-	1,111
Improvements	1	-	1	335
Machinery and Equipment	296	17	51	53,986
Furniture and Fixtures	64	1	-	99
Less: Accumulated Depreciation	(361)	(9)	(18)	(41,560)
Net Property, Plant and Equipment	-	9	34	14,321
Total Assets	\$ 352	\$ 5,430	\$ 11,645	\$ 38,277
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable	\$ 95	\$ 24	\$ 3	\$ 693
Retainages	-	-	-	-
Interfund Payable	-	-	-	535
Other Current Liabilities	-	1,582	12,770	15,546
Total Current Liabilities	95	1,606	12,773	16,774
Debt:				
Notes Payable	-	-	-	2,908
General Obligation Bonds Payable	-	-	-	-
Total Long-Term Liabilities	-	-	-	2,908
Total Liabilities	95	1,606	12,773	19,682
Net Assets				
Invested in Capital Assets				
net of Related Debt	1	10	34	11,415
Reserved for Replacement	-	-	-	1,999
Unreserved	256	3,814	(1,162)	5,181
Total Net Assets	257	3,824	(1,128)	18,595

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Revenues,
 Expenses and Changes in Net Assets
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
Operating Revenues:				
Charges for Services	\$ 7,791	\$ 1,792	\$ 693	\$ 1,136
Other Revenue	157	-	-	-
Total Operating Revenues	7,948	1,792	693	1,136
Operating Expenses:				
Personal Services	3,667	-	62	504
Contractual Services	939	-	60	668
Materials and Supplies	3,648	-	571	26
Utilities	19	-	-	45
Depreciation and Amortization	2,802	154	1	-
Total Operating Expenses	11,075	154	694	1,243
Operating Income (Loss)	(3,127)	1,638	(1)	(107)
Nonoperating Revenues (Expenses):				
Interest Revenue	-	31	-	-
Interest Expense and Fiscal Charges	-	(32)	-	-
Other Revenue (Expenses)	282	11	-	-
Total Nonoperating Revenues (Expenses)	282	10	-	-
Income (Loss) before Operating Transfers	(2,845)	1,648	(1)	(107)
Operating Transfers In	3,856	-	-	6
Operating Transfers (Out)	-	(3,764)	-	-
Total Operating Transfers In (Out)	3,856	(3,764)	-	6
Net Income (Loss)	1,011	(2,116)	(1)	(101)
Net Assets at Beginning of Year	11,304	6,196	(752)	358
Net Assets at End of Year	\$ 12,315	\$ 4,080	\$ (753)	\$ 257

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Revenues,
 Expenses and Changes in Net Assets
 For the Year Ended December 31, 2003
 (Amounts in Thousands)
 (Continued)

	Risk Management	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 1,547	\$ 2,700	\$ 15,659
Other Revenue	-	117	274
Total Operating Revenues	1,547	2,817	15,933
Operating Expenses:			
Personal Services	90	238	4,561
Contractual Services	1,832	3,411	6,910
Materials and Supplies	1	5	4,251
Utilities	-	-	64
Depreciation and Amortization	1	5	2,963
Total Operating Expenses	1,924	3,659	18,749
Operating Income (Loss)	(377)	(842)	(2,816)
Nonoperating Revenues (Expenses):			
Interest Revenue	-	-	31
Interest Expense and Fiscal Charges	-	-	(32)
Other Revenue (Expenses)	-	-	293
Total Nonoperating Revenues (Expenses)	-	-	292
Income (Loss) before Operating Transfers	(377)	(842)	(2,524)
Operating Transfers In	1	2	3,865
Operating Transfers (Out)	-	(3,222)	(6,986)
Total Operating Transfers In (Out)	1	(3,220)	(3,121)
Net Income (Loss)	(376)	(4,062)	(5,645)
Net Assets at Beginning of Year	4,200	2,934	24,240
Net Assets at End of Year	\$ 3,824	\$ (1,128)	\$ 18,595

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2003
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Receipts from Customers	\$ 7,803	\$ 1,791	\$ 693	\$ 1,136	\$ 1,546	\$ 2,701	\$ 15,670
Payments to Suppliers	(4,371)	—	(607)	(770)	(1,470)	(2,267)	\$ (9,485)
Payments to Employees	(3,667)	—	(62)	(504)	(90)	(237)	\$ (4,560)
Other Receipts	—	(29)	—	—	—	117	\$ 88
Net Cash Provided by (Used for) Operating Activities	(235)	1,762	24	(138)	(14)	314	1,713
Cash Flow from Noncapital Financing Activities:							
Operating Transfers In	3,856	—	—	7	1	2	3,866
Operating Transfers Out	—	(3,764)	—	—	—	(3,223)	(6,987)
Net Cash Provided by (Used for) Noncapital Financing Activities	3,856	(3,764)	—	7	1	(3,221)	(3,121)
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(3,778)	—	—	—	—	—	(3,778)
Principal Paid on Bond Maturities	—	(2,907)	—	—	—	—	(2,907)
Issuance of Revenue Bonds and Notes	—	5,810	—	—	—	—	5,810
Interest Expense and Fiscal Charges	—	(31)	—	—	—	—	(31)
Proceeds on Sale of Capital Assets	282	11	—	—	—	—	293
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,496)	2,883	—	—	—	—	(613)
Cash Flows from Investing Activities:							
(Purchases) of Investment Securities	—	(2,157)	—	—	—	—	(2,157)
Investment Earnings and Dividends on Investments	—	31	—	—	—	—	31
Net Cash Provided by (Used for) Investing Activities	—	(2,126)	—	—	—	—	(2,126)
Net Increase (Decrease) in Cash and Cash Equivalents at Beginning of Year							
Cash and Cash Equivalents at End of Year	\$ 125	\$ 3,417	\$ 24	\$ 352	\$ 5,420	\$ 11,612	\$ 20,950

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2003
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Operating Income (Loss)	\$ (3,127)	\$ 1,638	\$ (1)	\$ (107)	\$ (377)	\$ (841)	\$ (2,815)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:							
Depreciation and Amortization	2,802	155	1	-	2	5	2,965
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(121)	(10)	-	-	-	-	(131)
(Increase) Decrease in Interfund Receivable	-	-	-	-	-	-	-
(Increase) Decrease in Inventory	2	-	-	-	-	-	2
Increase (Decrease) in Accounts Payable	(97)	(19)	(3)	(31)	(27)	(6)	(183)
Increase (Decrease) in Interfund Payable	535	-	(115)	-	-	-	420
Increase (Decrease) in Other Current Liabilities	(229)	(2)	142	-	388	1,156	1,455
Total Adjustments							
Net Cash Provided by (Used for) Operating Activities:	\$ (235)	\$ 1,762	\$ 24	\$ (138)	\$ (14)	\$ 314	\$ 1,713

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**CITY OF TOLEDO, OHIO
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2003**

FIDUCIARY FUNDS

General Agency – To account for various licenses, fees and taxes, such as restaurant licenses, that the City collects as an agent for the State of Ohio.

Municipal Court – To account for bonds and other monies deposited with the Court pending final disposition of the various cases. While the records of the Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement-14.

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City of Toledo, Ohio
Agency Funds
Combining Balance Sheet
For the Year Ended December 31, 2003
(Amounts in Thousands)

	General Agency	Municipal Court	Total
Assets			
Equity in Pooled Cash	\$ 833	\$ ---	\$ 833
Investments at Cost	---	826	826
Receivables (Net of Allowance for Uncollectible Accounts:			
Accounts	---	---	---
Notes	---	---	---
Interfund Receivable	---	---	---
Other Prepaid Expenditure	---	---	---
Total Assets	\$ 833	\$ 826	\$ 1,659
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 35	\$ ---	\$ 35
Escrow	---	826	826
Interfund Payable	---	---	---
Due to Other Governments	---	---	---
Other Current Liabilities	798	---	798
Accrued Compensated Absences	---	---	---
Total Liabilities	\$ 833	\$ 826	\$ 1,659
Net Assets:	\$ ---	\$ ---	\$ ---

City of Toledo, Ohio**Agency Funds****Combining Statement of Changes in Assets and Liabilities****For the Year Ended December 31, 2003****(Amounts in Thousands)****(Continued)**

	GENERAL AGENCY FUND			
	Balance			Balance
	Jan 1, 2003	Additions	Deductions	Dec 31, 2003
Assets				
Equity in Pooled Cash Investments	\$ 756	\$ 886	\$ 809	\$ 833
Prepaid Expenses	---	---	---	---
Interfund Receivables	---	---	---	---
Total Assets	\$ 756	\$ 886	\$ 809	\$ 833
Liabilities				
Accounts Payable	\$ 41	\$ 844	\$ 850	\$ 35
Escrow	---	---	---	---
Interfund Payables	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	715	782	699	798
Accrued Compensated Absences	---	---	---	---
Total Liabilities	\$ 756	\$ 1,626	\$ 1,549	\$ 833

City of Toledo, Ohio**Agency Funds****Combining Statement of Changes in Assets and Liabilities****For the Year Ended December 31, 2003****(Amounts in Thousands)****(Continued)**

	MUNICIPAL COURT FUND			
	Balance	Additions	Deductions	Balance
	Jan 1, 2003			Dec 31, 2003
Assets				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ ---
Investments	931	---	105	826
Prepaid Expenses	---	---	---	---
Interfund Receivables	---	---	---	---
Total Assets	\$ 931	\$ ---	\$ 105	\$ 826
Liabilities				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Escrow	931	---	105	826
Interfund Payables	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	---	---	---	---
Accrued Compensated Absences	---	---	---	---
Total Liabilities	\$ 931	\$ ---	\$ 105	\$ 826

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2003
(Amounts in Thousands)
(Continued)

	TOTAL – ALL AGENCY FUNDS		
	Balance Jan 1, 2003	Additions	Deductions
			Balance Dec 31, 2003
Assets			
Equity in Pooled Cash	\$ 756	\$ 886	\$ 809
Investments	931	---	105
Prepaid Expenses	---	---	---
Interfund Receivables	---	---	---
Total Assets	\$ 1,687	\$ 886	\$ 914
Liabilities			
Accounts Payable	\$ 41	\$ 844	\$ 850
Escrow	931	---	105
Interfund Payables	---	---	---
Due to Other Governments	---	---	---
Other Current Liabilities	715	782	699
Accrued Compensated Absences	---	---	---
Total Liabilities	\$ 1,687	\$ 1,626	\$ 1,654

CITY OF TOLEDO, OHIO
CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
DECEMBER 31, 2002

General Fixed Assets – To account for general fixed assets of the City, other than those accounted for in the Proprietary Fund.

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CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$ 24,781
Buildings and Construction in Progress	61,552
Improvements.....	51,018
Machinery and Equipment	39,876
Furniture and Fixtures	6,273
Infrastructure	<u>516,512</u>
 Total General Fixed Assets.....	\$ 700,012
 Less: Accumulated Depreciation.....	<u>(299,379)</u>
 Net General Fixed Assets	<u>\$ 400,633</u>

INVESTMENT IN GENERAL FIXED ASSETS:

Acquired Before December 31, 1982.....	\$ 52,619
General Fund.....	39,108
Special Revenue Funds	10,830
Capital Projects Funds.....	<u>597,455</u>
 Total Investment in General Fixed Assets.....	\$700,012
 Less: Accumulated Depreciation.....	<u>(299,379)</u>
 Net Investment in General Fixed Assets.....	<u>\$ 400,633</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

FUNCTION AND ACTIVITY	LAND	BUILDINGS AND CONSTRUCTION IN PROGRESS	IMPROVEMENTS
General Government:			
City Council.....	\$ --	\$ --	\$ 34
Mayor	--	--	269
Auditor	--	--	--
Planning Commission	--	--	--
Health	472	1,346	--
Municipal Court Judges.....	105	5,867	114
Clerk of Courts	--	--	54
Support Services.....	--	--	1
Computing Services.....	--	76	3
Finance.....	--	--	--
Treasury	--	--	--
Taxation.....	--	--	2
Accounts	--	--	--
Community Development.....	386	2,876	479
Inspection.....	--	--	14
Economic Development.....	--	372	1,08
Human Resources	--	--	29
Law	--	--	--
Total General Government	963	10,537	2,081
Public Service:			
Public Service.....	--	--	221
Public Service Administration	--	--	--
Engineering & Construction	--	16	431
Streets, Bridges & Harbor.....	3,218	2,00	348
Waste Disposal	1,919	189	43
Maintenance of Public Buildings...	181	5,127	20,750
Environmental Services	--	165	6
Total Public Service	5,318	7,503	21,799

CITY OF TOLEDO, OHIO

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>TOTAL</u>
---	--	---------------------

\$ 108	\$ 41	\$ 183
44	34	347
14	22	36
172	93	265
---	---	1,818
2,014	674	8,774
366	260	680
922	46	969
1,454	10	1,543
28	32	60
83	24	107
50	33	85
193	41	234
903	216	4,860
115	58	187
387	26	1,867
989	102	1,120
66	88	154
<u>7,908</u>	<u>1,800</u>	<u>23,289</u>

174	41	436
9	3	12
589	257	1,293
1,008	112	6,692
6,552	35	8,738
2,280	285	28,623
308	47	526
<u>10,920</u>	<u>780</u>	<u>46,320</u>

CITY OF TOLEDO, OHIO

SCHEDEULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003 (AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	<u>LAND</u>	BUILDINGS AND CONSTRUCTION IN PROGRESS	<u>IMPROVEMENTS</u>
Public Safety:			
Police	\$ 209	\$ 6,395	\$ 1,583
Fire	738	6,629	2,258
Traffic Engineering	--	--	3,383
Total Public Safety	<u>947</u>	<u>13,024</u>	<u>7,224</u>
Natural Resources:			
Administration	--	--	56
Parks and Recreation	12,594	4,000	6,674
Forestry	298	289	2,971
Total Natural Resources.....	<u>12,892</u>	<u>4,289</u>	<u>9,701</u>
Other:			
Miscellaneous	4,661	26,199	10,213
Construction in Progress.....	--	--	--
Total General Fixed Assets.....	<u>24,781</u>	<u>61,552</u>	<u>51,018</u>
Less: Accumulated Depreciation ..	--	(42,207)	(22,572)
Net General Fixed Assets.....	<u>\$24,781</u>	<u>\$ 19,345</u>	<u>\$28,446</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>INFRASTRUCTURE</u>	<u>TOTAL</u>
\$ 6,114	\$ 960	\$ ---	\$ 15,261
5,671	322	---	15,618
<u>4,007</u>	<u>382</u>	<u>---</u>	<u>7,772</u>
<u><u>15,792</u></u>	<u><u>1,664</u></u>	<u><u>---</u></u>	<u><u>38,651</u></u>
 43	124	---	223
1,079	50	---	24,397
<u>2,308</u>	<u>36</u>	<u>---</u>	<u>5,902</u>
<u><u>3,430</u></u>	<u><u>210</u></u>	<u><u>---</u></u>	<u><u>30,522</u></u>
 1,826	1,819	---	44,718
--	--	---	--
 39,876	6,273	516,512	700,012
<u>(18,516)</u>	<u>(4,798)</u>	<u>(211,286)</u>	<u>(299,379)</u>
<u><u>\$ 21,360</u></u>	<u><u>\$ 1,475</u></u>	<u><u>\$305,226</u></u>	<u><u>\$ 400,633</u></u>

CITY OF TOLEDO, OHIO

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)**

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
General Government:				
City Council.....	\$ 183	\$ --	\$ --	\$ 183
Office of the Mayor.....	76	271	--	347
Auditor	36	--	--	36
Planning Commission	262	2	--	264
Health	1,818	--	--	1,818
Municipal Court Judges.....	8,698	72	--	8,770
Clerk of Municipal Courts.....	682	3	--	685
Support Services.....	1,911	55	--	1,966
Management Services	546	--	--	546
Finance	59	--	--	59
Treasury	98	9	--	107
Taxation.....	85	--	--	85
Accounts	233	--	--	233
Community Development.....	4,857	257	--	5,114
Inspection	188	--	--	188
Economic Development.....	1,599	15	--	1,614
Human Resources	1,120	--	--	1,120
Law	154	--	--	154
Total General Government	22,605	684	--	23,289
Public Service:				
Public Service.....	740	122	--	860
Public Service Administration	12	--	--	12
Engineering & Construction	857	30	--	867
Streets, Bridges & Harbor	6,583	107	--	6,690
Waste Disposal	8,623	114	--	8,737
Maintenance of Public Buildings ...	27,646	979	--	28,625
Environmental Services	520	7	--	527
Total Public Service	44,961	1,359	--	46,320

CITY OF TOLEDO, OHIO

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

(AMOUNTS IN THOUSANDS)

(CONTINUED)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
Public Safety				
Police	\$ 14,788	\$ 471	\$ --	\$ 15,259
Fire	15,158	462	--	15,620
Traffic Engineering	7,772	--	--	7,772
Total Public Safety	37,718	933	--	38,651
Natural Resources:				
Administration	223	--	--	223
Parks and Recreation	24,397	--	--	24,397
Forestry	5,902	--	--	5,902
Total Natural Resources.....	30,522	--	--	30,522
Other:				
Miscellaneous	44,718	--	--	44,718
Infrastructure.....	477,147	39,365	--	516,512
Total General Fixed Assets.....	657,671	42,341	--	700,012
Less Accumulated Depreciation ..	(272,090)	(27,289)	--	(299,379)
Net General Fixed Assets.....	\$ 385,581	\$ 15,052	\$ --	\$ 400,633

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STATISTICAL SECTION

TABLE 1
CITY OF TOLEDO, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION¹
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SERVICE AND		PUBLIC SAFETY	COMMUNITY ENVIRONMENT	HEALTH
		PUBLIC UTILITIES				
1994	\$38,296	\$28,675		\$101,517	\$12,820	\$ 16,954
1995	18,644	27,927		110,537	15,717	17,783
1996	18,816	28,127		116,536	18,657	18,561
1997	17,699	27,804		120,183	20,341	18,343
1998	18,256	27,508		125,038	19,523	18,493
1999	18,246	29,705		129,765	18,841	19,139
2000	18,948	29,743		132,542	18,157	14,300
2001	21,188	29,142		137,417	21,120	16,850
2002	20,823	28,831		144,112	22,329	16,030
2003	19,074	31,304		143,350	18,062	16,239

TABLE 2
CITY OF TOLEDO, OHIO
GENERAL REVENUES BY SOURCE¹
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	INCOME TAXES	PROPERTY TAXES AND		LICENSES AND PERMITS	GRANTS AND SUBSIDIES
		SPECIAL ASSESSMENTS			
1994	\$124,975	\$31,916		\$ 2,833	\$26,815
1995	129,789	32,850		3,004	31,763
1996	138,487	34,590		2,310	33,811
1997	142,701	33,953		2,509	39,232
1998	144,505	34,379		2,737	40,634
1999	150,170	33,530		2,841	54,191
2000	153,830	31,069		2,211	41,138
2001	150,911	35,814		2,172	34,338
2002	153,965	34,784		1,967	40,648
2003	155,112	33,496		2,147	39,676

Source: City of Toledo
 Finance Department

¹Includes General, Special Revenue, Debt Service and Capital Project Funds.

PARKS RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
\$4,749	\$31,304	\$17,616	\$ 251,931
5,357	28,693	21,869	246,527
4,741	44,679	22,840	272,957
4,696	41,884	27,392	278,342
4,942	90,007	24,819	328,586
4,401	43,202	24,935	288,234
4,924	41,532	25,588	285,734
5,123	43,609	26,684	301,133
5,009	34,574	29,442	301,150
4,730	42,319	26,603	300,681

SHARED REVENUES	CHARGES FOR SERVICES	INVESTMENT EARNINGS	FINES AND FORFEITURES	ALL OTHER REVENUE	TOTAL
\$18,063	\$ 9,935	\$3,570	\$3,408	\$2,326	\$223,841
19,140	11,000	6,601	4,392	2,239	240,778
20,210	11,225	6,954	4,239	1,242	253,068
20,668	11,180	7,125	4,442	1,562	263,372
22,274	11,768	7,279	5,071	7,364	276,011
22,795	12,179	6,642	4,616	2,284	289,248
23,308	12,349	8,383	4,103	765	277,156
23,398	12,227	7,292	3,841	1,009	271,002
24,235	13,646	4,654	3,636	2,953	280,488
30,651	13,722	3,259	4,086	3,477	285,626

TABLE 3(a)
CITY OF TOLEDO, OHIO
REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
1994	\$11,848	\$11,215	94.7%	245
1995	12,332	11,637	94.4%	562
1996	12,236	11,591	94.7%	471
1997	12,084	11,488	95.1%	432
1998	12,505	12,245	97.9%	510
1999	12,710	12,191	95.9%	441
2000	12,205	12,130	99.4%	514
2001	14,934	14,462	96.8%	398
2002	15,659	14,886	95.1%	664
2003	15,047	14,189	94.3%	646

Source: Lucas County Auditor

TABLE 3(b)
CITY OF TOLEDO, OHIO
INCOME TAX REVENUES
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	TAX REVENUES	TAX RATE
1994	\$124,975	2 1/4%
1995	129,789	2 1/4%
1996	138,487	2 1/4%
1997	142,701	2 1/4%
1998	144,505	2 1/4%
1999	150,170	2 1/4%
2000	153,830	2 1/4%
2001	150,911	2 1/4%
2002	153,965	2 1/4%
2003	155,112	2 1/4%

Source: City of Toledo
Income Tax Department

AMOUNT OF TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	AMOUNT OF OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
\$11,460	98.6%	\$1,203	10.2%
12,199	96.7%	1,787	14.5%
12,062	98.6%	1,651	13.5%
11,920	98.6%	1,204	10.0%
12,755	102.0%	1,321	10.6%
12,632	99.4%	1,280	10.1%
12,644	103.6%	1,117	9.2%
14,860	99.5%	1,313	8.8%
15,550	99.3%	1,325	8.5%
14,835	98.6%	1,899	12.6%

TABLE 4
CITY OF TOLEDO, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	REAL PROPERTY		PUBLIC UTILITY (3)	
	ASSESSED VALUE (1)	ESTIMATED ACTUAL	ASSESSED VALUE	ESTIMATED ACTUAL
1995	\$2,497,627	\$7,136,078	\$316,878	\$ 905,365
1996	2,481,458	7,089,880	299,437	855,534
1997	2,491,193	7,117,694	274,504	784,297
1998	2,669,541	7,627,260	275,606	787,446
1999	2,673,597	7,638,849	268,638	767,537
2000	2,689,930	7,685,514	252,326	720,931
2001	3,281,956	9,375,589	251,453	1,005,812
2002	3,275,750	9,359,286	185,625	742,500
2003	3,280,308	9,372,309	199,143	796,572
2004	3,752,847	10,722,242	171,574	686,296

(1) The assessed valuation is fixed at 35% of true value and is determined pursuant to the rules of the Ohio Commissioner of Tax Equalization. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value.

(2) The inventory rates have been reduced annually from 41% in 1979 to 25% in 1994.

(3) Includes public utility personal property. Assessed value determined by the State of Ohio.

Source: Lucas County Auditor

TABLE 5
CITY OF TOLEDO, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$1,000 OF ASSESSED VALUATION)

TAX COLLECTION YEAR	CITY OF TOLEDO					TRANSIT AUTHORITY
	GENERAL FUND	POLICE FUND	PENSION FUND	FIRE PENSION FUND	TOTAL TOLEDO RATE	
1994	3.80	.30	.30	.30	4.40	2.50
1995	3.80	.30	.30	.30	4.40	2.50
1996	3.80	.30	.30	.30	4.40	2.50
1997	3.80	.30	.30	.30	4.40	2.50
1998	3.80	.30	.30	.30	4.40	2.50
1999	3.80	.30	.30	.30	4.40	2.50
2000	3.80	.30	.30	.30	4.40	2.50
2001	3.80	.30	.30	.30	4.40	2.50
2002	3.80	.30	.30	.30	4.40	2.50
2003	3.80	.30	.30	.30	4.40	2.50

Source: Lucas County Auditor

PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
ASSESSED VALUE (2)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
\$ 463,468	\$ 1,853,871	\$ 3,277,973	\$ 9,895,314	33.1%
476,603	1,906,412	3,257,498	9,851,826	33.1%
487,942	1,951,768	3,253,639	9,853,759	33.0%
505,735	2,022,940	3,450,882	10,437,646	33.0%
509,003	2,036,012	3,451,238	10,442,398	33.1%
529,770	2,119,080	3,472,026	10,525,525	33.0%
551,232	2,204,928	4,084,141	12,586,329	32.4%
564,431	2,257,724	4,025,806	12,359,510	32.6%
530,490	2,210,375	4,009,941	12,379,256	32.4%
487,172	1,948,688	4,411,593	13,357,226	33.0%

PORT AUTHORITY	LUCAS COUNTY	TOLEDO CITY SCHOOL DISTRICT	METRO PARK DISTRICT	TOTAL
.40	15.85	57.70	1.00	81.85
.40	15.80	57.80	1.00	81.90
.40	15.95	57.80	1.00	82.05
.40	15.95	57.80	1.00	82.05
.40	15.45	57.80	1.40	81.95
.40	15.55	57.50	1.40	81.75
.40	16.00	63.00	1.40	87.70
.40	15.65	63.00	1.40	87.35
.40	15.65	63.50	1.70	88.15
.40	16.20	63.30	1.70	88.50

TABLE 6
CITY OF TOLEDO, OHIO
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT CURRENT ASSESSMENTS COLLECTED TO CURRENT ASSESSMENTS DUE		DELINQUENT ASSESSMENT COLLECTIONS
			COLLECTED	ASSESSMENTS DUE	
1994	\$18,351	\$16,438	89.6%		\$1,086
1995	18,403	16,665	90.6%		1,901
1996	20,464	18,505	90.4%		1,982
1997	19,417	17,471	90.0%		2,326
1998	19,497	17,632	90.4%		2,072
1999	18,564	16,842	90.7%		1,955
2000	17,980	16,265	90.5%		1,800
2001	21,179	18,938	89.4%		1,663
2002	18,683	16,620	89.1%		2,034
2003	18,218	16,239	89.1%		2,210

Source: Lucas County Auditor

TABLE 7
CITY OF TOLEDO, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS

FISCAL YEAR	POPULATION ⁽¹⁾	ASSESSED VALUE ⁽²⁾	GROSS GENERAL BONDED DEBT ⁽²⁾	LESS BALANCE IN DEBT SERVICE FUND ^{(2) & (3)}		
				ASSESSED VALUE ⁽²⁾	GROSS GENERAL BONDED DEBT ⁽²⁾	LESS BALANCE IN DEBT SERVICE FUND ^{(2) & (3)}
1994	332,943	\$3,277,973	\$ 74,450			373
1995	332,943	3,257,498	91,079			658
1996	332,943	3,253,639	101,555			666
1997	332,943	3,450,882	106,213			864
1998	332,943	3,451,238	131,859			899
1999	332,943	3,472,027	127,636			1,023
2000	313,619	4,084,141	126,046			1,156
2001	313,619	4,025,806	123,810			579
2002	313,619	4,009,940	127,805			215
2003	313,619	4,411,593	125,978			29

(1) Source: U.S. Bureau of the Census

(2) Amounts shown in thousands of dollars. Source: Lucas County Auditor.

(3) The City has paid its general bonded debt service for the tax years shown from current income tax revenues. The amount required is transferred to the debt service funds from the capital improvement fund.

TOTAL ASSESSMENT COLLECTIONS	PERCENT TOTAL ASSESSMENT COLLECTIONS TO CURRENT ASSESSMENTS DUE	OUTSTANDING DELINQUENT ASSESSMENTS
\$17,524	95.5%	\$ 9,927
18,566	100.9%	10,413
20,487	100.1%	7,854
19,797	102.0%	7,459
19,704	101.1%	5,868
18,798	101.3%	5,842
18,065	100.5%	4,651
20,601	97.3%	5,223
18,654	99.8%	6,143
18,449	101.3%	6,566

NET GENERAL BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 74,077	2.3%	\$222.50
90,421	2.8%	271.58
100,389	3.1%	301.52
105,349	3.0%	312.51
130,960	3.8%	393.34
126,613	3.7%	380.28
124,890	3.1%	398.22
123,231	3.1%	392.93
127,590	3.2%	406.83
125,949	2.9%	401.60

TABLE 8 (a)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5½% LIMIT)
AT DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value	<u>\$4,411,593</u>
Unvoted Debt Limit – 5½%	
Of Assessed Valuation.....	\$ 242,638
Total Unvoted Debt Outstanding	
At 12/31/03	\$375,485
Less Exempted Debt:	
Special Assessment Improvement	
Bonds	\$ 518
Special Assessment Services	
Notes	31,500
Utility Revenue Bonds, O.W.D.A.	
Loans and Other Loans	157,274
Capital Projects & Other Loans	1,500
Pension Bonds.....	12,325
Other Bonds & Notes.....	<u>45,592</u>
Total	<u>248,709</u>
Net Subject to 5½% Limit	<u>126,776⁽¹⁾</u>
Total Legal Unvoted Debt Margin.....	<u>\$ 115,862</u>

⁽¹⁾General Obligation Bonds –

City of Toledo.....	\$ 92,810
Enterprise	25,408
Internal Service	<u>3</u>
	118,221
General Obligation Notes-City of Toledo	<u>8,555</u>
Total Bonds and Notes.....	<u>\$126,776</u>

Source: City of Toledo Finance Department

TABLE 8 (b)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UVOTED AND UNVOTED DEBT LIMIT (10½% LIMIT)
AT DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value	<u>\$4,411,593</u>
Voted & Unvoted Debt Limit – 10½%	
Of Assessed Valuation.....	\$ 463,217
Total Unvoted Debt Outstanding	
At 12/31/03.....	\$375,485
Less Exempted Debt:	
Special Assessment Improvement	
Bonds	\$ 518
Special Assessment Services	
Notes	31,500
Utility Revenue Bonds, O.W.D.A.	
Loans and Other Loans	157,274
Capital Projects & Other Loans	1,500
Pension Bonds.....	12,325
Other Bonds & Notes.....	<u>45,592</u>
Total	<u>248,709</u>
Net Subject to 10½% Limit	<u>126,776</u>
Total Legal Voted and Unvoted	
Debt Margin	<u>\$ 336,441</u>

Source: City of Toledo Finance Department

TABLE 9
CITY OF TOLEDO, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AT DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

POLITICAL SUBDIVISION	AMOUNT OF DEBT	PERCENT APPLICABLE TO CITY	CITY'S SHARE
Direct Debt:			
City of Toledo	\$125,978	100.0%	\$125,978
Subdivision Overlapping Debt:			
Lucas County	38,137	51.3%	19,564
Toledo City School District	164,494	98.0%	161,204
Sylvania City School District.....	2,870	8.1%	232
Ottawa Hills Local School District.....	132	1.4%	2
Springfield Local School District	1,024	10.2%	104
Sylvania Area Joint Recreation Dist...	358	8.1%	29
Washington Local School District.....	<u>1,559</u>	95.3%	<u>1,486</u>
Total Subdivision Overlapping Debt	<u>\$208,574</u>		<u>\$ 182,621</u>
Total Direct and Overlapping Debt.....	<u>\$334,552</u>		<u>\$308,599</u>

Source: Lucas County Auditor

TABLE 10
CITY OF TOLEDO, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES⁽¹⁾	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
1994	\$ 6,260	\$ 4,525	\$ 10,785	\$251,931	4.3%
1995	6,820	4,809	11,629	246,527	4.7%
1996	7,570	6,363	13,933	272,957	5.1%
1997	9,075	6,841	15,916	278,342	5.7%
1998	10,430	6,299	16,729	328,586	5.1%
1999	10,543	5,493	15,923	288,411	5.5%
2000	9,828	5,381	15,209	285,734	5.4%
2001	9,508	5,283	14,791	301,131	4.9%
2002	39,137	7,835	46,972	329,433	14.3%
2003	9,853	4,264	14,117	300,691	4.7%

⁽¹⁾Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: City of Toledo Finance Department

TABLE 11(a)
CITY OF TOLEDO, OHIO
WATER ENTERPRISE BOND COVERAGE⁽¹⁾
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES⁽²⁾	NET ANNUAL REVENUE AVAILABLE FOR DEBT SERVICE
1994	\$23,404	\$17,696	\$ 5,708
1995	23,376	18,322	5,054
1996	24,560	19,384	5,176
1997	25,070	15,890	9,180
1998	27,315	17,134	10,181
1999	30,562	19,002	11,560
2000	32,829	16,962	15,867
2001	34,454	20,494	13,960
2002	35,115	21,744	13,371
2003	33,732	22,607	11,125

(1) During 1994, Water Refunding Bonds in the amount of \$5,405 were issued with the proceeds being used to defease portions of the 1988 Water Bonds previously outstanding. The Water Refunding Bonds are secured by the revenues of the utility and a lien on the property of the utility and are payable solely out of the revenues of the utility after first paying the costs of operating and maintaining the utility including replacement and depreciation but exclusive of capital improvements.

(2) Includes all operating expenses except depreciation.

Source: City of Toledo
 Finance Department
 Utilities Department

TOTAL AVAILABLE FOR DEBT SERVICE	PRINCIPAL	DEBT SERVICE INTEREST	TOTAL	BOND COVERAGE
\$ 5,708	\$ 375	\$1,009	\$1,384	4.12
5,054	320	1,167	1,487	3.40
5,176	335	1,876	2,211	2.34
9,180	931	2,267	3,198	2.87
10,181	987	2,235	3,222	3.16
11,560	3,272	3,057	6,329	1.83
15,867	2,515	3,164	5,679	2.80
13,960	2,620	3,066	5,686	2.45
13,371	2,745	2,953	5,698	2.34
11,125	3,475	3,163	6,638	1.68

TABLE 11(b)
CITY OF TOLEDO, OHIO
SEWER ENTERPRISE BOND COVERAGE⁽¹⁾
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES⁽²⁾	NET ANNUAL REVENUE AVAILABLE FOR DEBT SERVICE
1994	\$33,190	\$21,722	\$11,468
1995	33,341	22,076	11,265
1996	32,552	21,659	10,893
1997	31,501	22,628	8,873
1998	32,819	22,550	10,269
1999	34,790	22,777	12,013
2000	36,279	22,134	14,145
2001	36,560	22,542	14,018
2002	35,703	24,970	10,733
2003	36,095	24,287	11,808

(1) During 1994, Sewer Refunding Bonds in the amount of \$13,315 were issued with the proceeds being used to defease portions of the 1988 Sewer Refunding Bonds previously outstanding. The Sewer Refunding Bonds are secured by the revenues of the utility and a lien on the property of the utility and are payable solely out of the revenues of the utility after first paying the costs of operating and maintaining the utility including replacement and depreciation but exclusive of capital improvements.

(2) Includes all operating expenses except depreciation.

Source: City of Toledo
 Finance Department
 Utilities Department

TOTAL AVAILABLE FOR DEBT SERVICE	PRINCIPAL	DEBT SERVICE INTEREST	TOTAL	BOND COVERAGE
\$11,468	\$ 900	\$2,077	\$2,977	3.85
11,265	725	2,451	3,176	3.55
10,893	755	2,437	3,192	3.41
8,873	1,341	2,716	4,057	2.19
10,269	1,372	2,719	4,091	2.51
12,013	2,732	2,965	5,697	2.11
14,145	2,232	2,475	4,707	3.00
14,018	2,693	2,002	4,695	3.00
10,733	2,824	1,894	4,718	2.29
11,808	2,885	2,369	5,254	2.25

TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2003
POPULATION

YEAR	CITY	METROPOLITAN AREA (TOLEDO MSA)
1970	383,062	762,657
1980	354,635	618,800
1990	332,943	614,128
2000	313,619	618,203

AGE DISTRIBUTION – TOLEDO MSA

	MALE		FEMALE	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
Under 5 years	22,928	7.7%	18,874	6.0%
5 to 9 years	20,627	6.9%	26,172	8.2%
10 to 14 years	26,374	8.8%	21,696	6.8%
15 to 19 years	24,564	8.1%	22,835	7.2%
20 to 24 years	19,852	6.7%	21,681	6.8%
25 to 34 years	41,820	14.0%	44,925	14.1%
35 to 44 years	44,980	15.1%	45,814	14.3%
45 to 54 years	43,333	14.3%	49,650	15.5%
55 to 64 years	25,403	8.5%	25,120	7.8%
65 to 74 years	18,369	6.2%	23,438	7.4%
75 years and over	10,983	3.7%	18,785	5.9%
Total	<u>299,233</u>	<u>100.0%</u>	<u>318,990</u>	<u>100.0%</u>
Median Age	34.6		35.9	

**DISTRIBUTION OF HOUSEHOLD
INCOME – TOLEDO MSA**

INCOME	HOUSEHOLDS	
	NUMBER	PERCENTAGE
Less than \$5,000 - \$9,999	7,820	5.0%
\$10,000 - \$14,999	7,229	4.6%
\$15,000 - \$24,999	16,394	10.5%
\$25,000 - \$34,999	17,700	11.3%
\$35,000 - \$49,999	26,410	16.9%
\$50,000 - \$74,999	37,136	23.8%
\$75,000 - \$99,999	22,022	14.1%
\$100,000 - \$149,999	15,370	9.9%
\$150,000 - \$199,999	3,283	2.1%
\$200,000 or more	<u>2,764</u>	<u>1.8%</u>
	<u>156,128</u>	<u>100.0%</u>

Source: U.S. Bureau of the Census – 2000

TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2003
(CONTINUED)

DISTRIBUTION OF EMPLOYEES BY SECTOR

MANUFACTURING

Percentage of employment.....	17.2%
Manufacturing employment.....	56,500

Major Categories and Employees of Manufacturing Employment:

Clay and Glass Products	6,000
Primary Metal Industries.....	2,600
Fabricated Metal Products	6,200
Machinery	4,500
Transportation Equipment	14,900
Food Products	3,100
Rubber, Plastic and Misc. Products	4,700
Other	14,500

NON-MANUFACTURING

Percentage of employment.....	82.8%
Non-Manufacturing employment.....	271,800

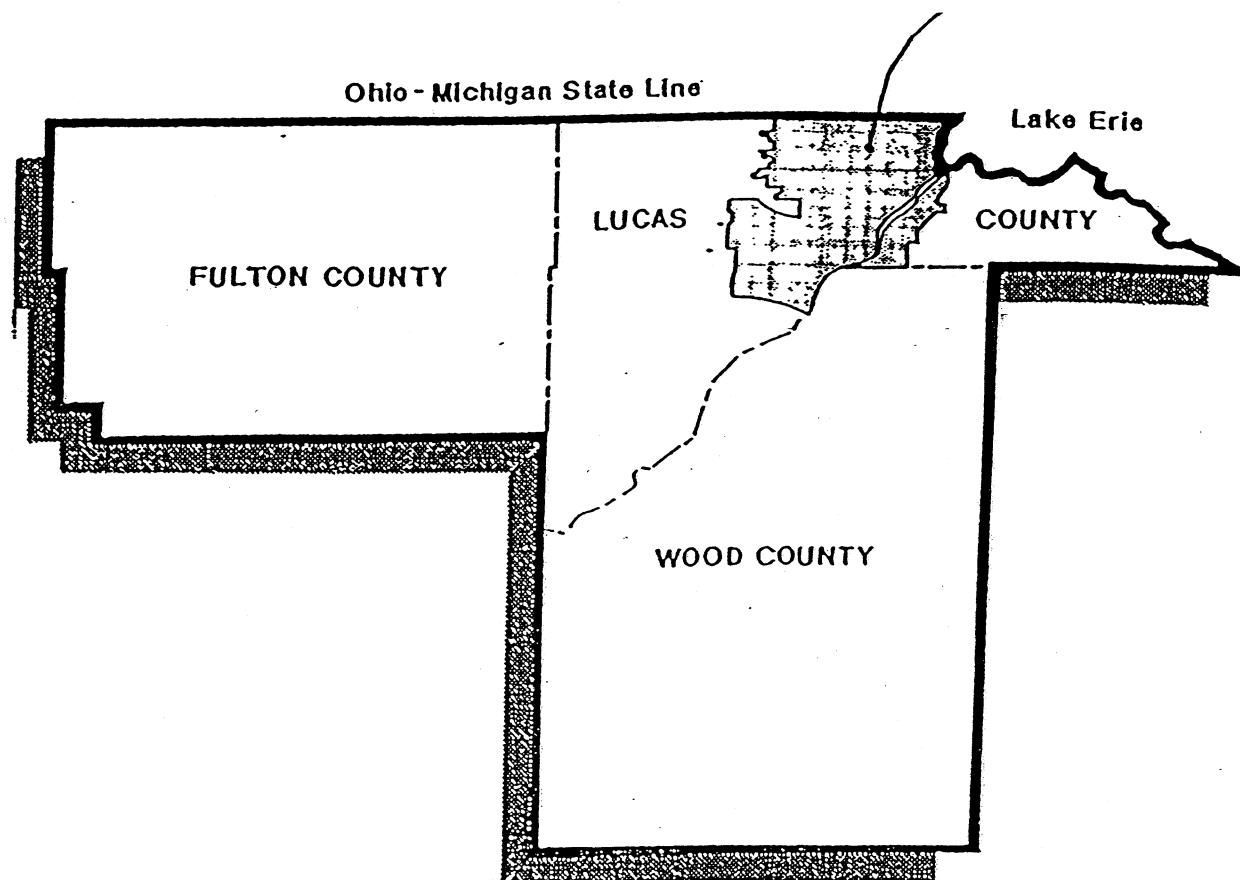
Major Categories and Employees of Non-Manufacturing Employment:

Construction.....	15,800
Transportation and Public Utilities	16,100
Wholesale Trade	16,900
Retail Trade.....	64,800
Finance, Insurance, Real Estate	11,400
Services	96,100
Government.....	50,700

Source: Ohio Bureau of Employment Services (2001)

CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2003
(CONTINUED)

CITY OF TOLEDO



Toledo Metropolitan Statistical Area (MSA)

- ♦ Population of 659,188
- ♦ Four county area
- ♦ Sixty-ninth largest metropolitan area in the U.S.
- ♦ Labor force of 340,600
- ♦ Diversified manufacturing
- ♦ “Glass Capital of the World”
- ♦ Largest international tonnage port on the Great Lakes

TABLE 13
CITY OF TOLEDO, OHIO
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS ACTIVITY
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	ASSESSED VALUE REAL AND PERSONAL PROPERTY⁽¹⁾	VALUATION OF BUILDING PERMITS ISSUED⁽²⁾	BANK DEPOSITS⁽³⁾
1994	\$3,162,416	\$ 87,299	\$5,411,410
1995	3,277,973	79,246	5,552,727
1996	3,257,498	115,287	5,665,935
1997	3,253,639	100,628	5,846,597
1998	3,450,882	160,835	5,812,078
1999	3,472,027	207,353	5,638,157
2000	4,084,141	158,421	5,932,103
2001	4,025,806	227,243	6,279,970
2002	4,009,940	92,457	5,372,511
2003	4,411,593	144,184	5,580,000

Source: (1) Lucas County Auditor
 (2) City of Toledo Inspection Division
 (3) Amounts represent Lucas County bank deposits, per F.D.I.C. Data Book

TABLE 14(a)
CITY OF TOLEDO, OHIO
TEN LARGEST PROPERTY TAXPAYERS
DECEMBER 31, 2003

Ten Largest Real Property and Public Utility Taxpayers

NAME	BUSINESS	VALUATION (AMOUNTS IN THOUSANDS)	PERCENTAGE OF TOTAL REAL PROPERTY TAXABLE VALUATION
Toledo Edison Co.	Utility	\$66,005	1.5%
Ameritech	Utility	48,415	1.1%
Owens-Illinois Company	Glass Manufacturer	19,335	0.4%
Columbia Gas of Ohio, Inc.	Utility	17,568	0.4%
A.E.R.C. Corp	Real Estate Holdings	14,939	0.3%
Westfield Shopping Town Mall	Retail Mall Owner-Lessor	13,691	0.3%
The Medical College of Ohio	Education	11,190	0.3%
Toledo Hospital	Medical Office Building	9,926	0.3%
S.S.C. Company	Real Estate Company	9,560	0.2%
Lion/Dillards/Mercantile	Department Store	8,949	0.2%
		<u>\$219,578</u>	<u>5.0%</u>

Ten Largest Tangible Personal Property Taxpayers

NAME	BUSINESS	VALUATION (AMOUNTS IN THOUSANDS)	PERCENTAGE OF TOTAL REAL PROPERTY TAXABLE VALUATION
General Motors Corporation, Powertrain Division	Automotive Manufacturer	\$ 40,913	.9%
DaimlerChrysler	Automotive Manufacturer	30,310	.7%
General Mills, Inc.	Food Purchaser	21,558	.5%
Libbey, Inc.	Glass Manufacturer	16,530	.4%
Block Communications	Newspaper Publisher	13,168	.3%
Perstorp Polyols, Inc.	Chemical Manufacturing	7,964	.2%
Amerisource Corp.	Pharmaceutical Supply Service	6,751	.1%
New Mather Metals	Stabilizer and Torsion Bar Manufacturer	5,655	.1%
Textileleather	Fabric Processing	4,842	.1%
Owens-Illinois, Inc.	Glass Manufacturer	<u>3,514</u>	<u>.1%</u>
		<u>\$ 151,205</u>	<u>3.4%</u>

Source: Lucas County Auditor

TABLE 14(b)
CITY OF TOLEDO, OHIO
TEN LARGEST MUNICIPAL INCOME TAXPAYERS
DECEMBER 31, 2003
(AMOUNTS IN THOUSANDS)

Listed below are the ten largest municipal income taxpayers for corporate income and employee payroll and the amount of tax paid.

DaimlerChrysler
 General Motors Corporation, Powertrain Division
 Toledo Board of Education
 City of Toledo
 Toledo Hospital
 Lucas County
 St. Vincent Mercy Medical Center
 Medical College of Ohio Hospital
 University of Toledo
 Owens-Corning Fiberglas Corporation

YEAR	EMPLOYEE PAYROLL TAX
1994	\$33,527
1995	35,898
1996	36,495
1997	38,849
1998	35,544
1999	39,498
2000	39,921
2001	39,452
2002	41,710
2003	43,017

Source: City of Toledo
 Income Tax Division

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2003

GENERAL

Date of Incorporation.....	January 7, 1837
Adoption of City Charter	1914
Form of Government.....	Strong Mayor
Council Members.....	Twelve
Area of the City of Toledo	84 square miles
Population 2000 Census.....	313,619
Bodies of Water	Lake Erie, Maumee River

TRANSPORTATION

AIR

Number of Airports.....	4
Number of Airlines	7
Daily Scheduled Flights.....	36
2003 Passenger Traffic	296,634
2003 Air Cargo (lbs)	620,566,860

RAIL

Number of Railroad Systems.....	4
Miles of Track.....	1,200

LAND

Number of Trucking Firms	41
Interstate Bus Lines.....	16
TARTA - 2003 Passengers.....	4,561,045

WATER

Port Vessel Traffic	561
Cargo Tonnage.....	9,804,135

EDUCATION

University of Toledo Students	20,600
Community College Students	20,500
Medical College of Ohio at Toledo Students.....	1,055
Toledo City School District:	
Number of Schools	66
Number of Students	34,200

ENERGY

Electric Customers-Toledo Edison Company.....	303,000
Gas Customers-Columbia Gas of Ohio, Inc.	175,744

MEDICAL

Number of Hospitals.....	4
Number of Beds	1,684

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2003
(CONTINUED)

COMMERCIAL ACTIVITY

Amount of Retail Sales	\$8,376,036
Number of Building Permits.....	6,281
Value of Permits	144,184

POLICE DIVISION

Number of Stations	3
Number of Substations.....	3
Number of Employees with Arrest Power.....	693
Number of Neighborhood Offices	7

FIRE DIVISION

Number of Stations	17
Number of Firefighters	526

WATER SYSTEM

Average Daily Consumption (Million Gallons Daily).....	78.4
Annual Pumpage (Million Gallons).....	23,932
Storage Capacity (Million Gallons).....	78
Plant Capacity (Million Gallons)	150
Communities Served.....	13
Population Served	521,000
Miles of Waterlines.....	1,135
Metered Services.....	131,250

SEWER SYSTEM

Average Daily Demand (Million Gallons Daily).....	65
Annual Wastewater Flow (Million Gallons).....	28,834
Plant Capacity (Million Gallons Daily)	102
Communities Served.....	7
Population Served	346,000
Miles of Sewer Lines	951
Metered Services.....	102,000

RECREATION

Number of City Parks	144
Acreage	2,368
Number of Metro Parks	11
Acreage	8,000
Public Golf Courses – City	3
Public Golf Courses – County	13
Public Pools	12
Ice Rinks	1

Source: Toledo Lucas County Public Library



**Auditor of State
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CITY OF TOLEDO

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
AUGUST 24, 2004**