

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.

A handwritten signature in cursive script that reads "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 <u>4,444,684</u> |
| Sub-Total CFDA 14.218 | | | <u>10,928,102</u> |
| Emergency Shelter Grants Program | 14.231 | S01-MC-39-0021 S02-MC-39-0021 | 180,996 <u>174,095</u> |
| Sub-Total CFDA 14.231 | | | <u>355,091</u> |
| 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 <u>191,610</u> |
| Sub-Total CFDA 14.239 | | | <u>2,060,671</u> |
| Economic Development Initiative Grant | 14.246 | B-99-SP-OH-0250 B-00-SP-OH-0327 | 147,265 270,080 174,933 <u>36,262</u> |
| Sub-Total CFDA 14.246 | | | <u>628,540</u> |
| 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><u>\$ 36,052,232</u></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 | | | <u>5,752</u> |
| 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 | | | <u>335,279</u> |
| 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 | | | <u>104,072</u> |
| 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 | | | <u>19,959</u> |
| 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 | | | <u>187,728</u> |
| 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 | | | <u>79,868</u> |
| 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 | | | <u>\$ 1,071,271</u> |
| U.S. Department of Transportation: | | | |
| Passed-through | | | |
| Ohio Department of Transportation | | | |
| Highway Planning and Construction Grants | 20.205 | - | |
| MLK Rehabilitation Projects | | - | \$ 7,620,759 |
| Monroe Street Improvements | | - | 1,132,303 |
| Centralized Traffic Control | | - | 98,078 |
| Signal Project | | - | 209,235 |
| Traffic Control | | - | 124,111 |
| Alexis Road Rehab | | - | 314,249 |
| Lagrange Street Enhancement | | - | 7,671 |
| Route 24 Anthony Wayne Trail | | - | 105,538 |
| Buckeye Basin | | - | 200,649 |
| Alexis Road Improvement | | - | 741,224 |
| Miami Street Improvement | | - | 1,343,524 |
| Sub-Total for CFDA 20.205 | | | <u>11,897,341</u> |
| Ohio Department of Highway Safety - Office of the Governor's Highway Safety Representative Selective Traffic Enforcement Program Grant | 20.600 | - | <u>81,778</u> |
| Total U.S. Department of Transportation | | | <u>\$ 11,979,119</u> |
| 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 | | | <u>135,623</u> |
| Passed-through | | | |
| Ohio Environmental Protection Agency Air Pollution Control Program | 66.001 | BG985692-98 | <u>308,037</u> |
| 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 | | | <u>5,388,060</u> |
| Total U.S. EPA | | | <u>\$ 5,831,720</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 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><u>\$ 55,167,064</u></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

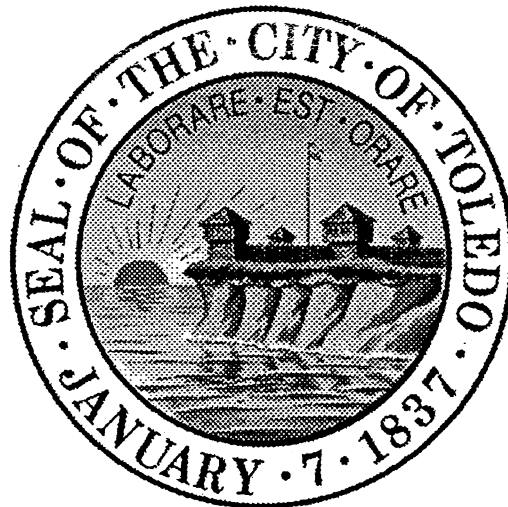
The City Utilities Department has been in compliance with the 30-day time limit with regards to advising Ohio EPA of contract change orders since the issue was referenced in the 2002 Single Audit Report. A special routing and tracking form has been developed to insure that the citation does not reoccur.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

DEPARTMENT OF FINANCE

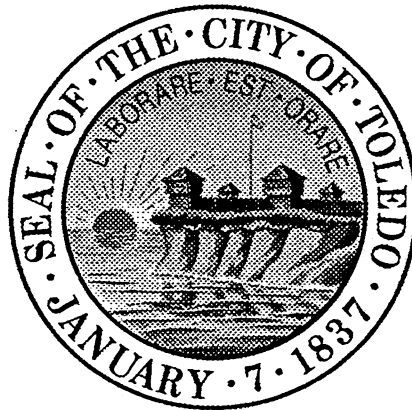


"an elegant city-a point of destination"

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

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SECTION**

**CITY OF TOLEDO, OHIO
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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.

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 cognizant 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 "ground-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.

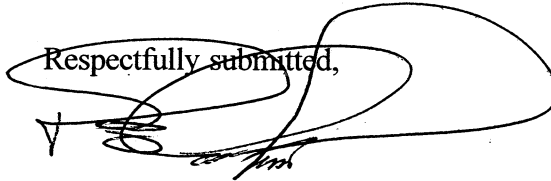
Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2002. This is the nineteenth year since 1982 that the City has received 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', is written over the text 'Respectfully submitted,'. The signature is stylized and somewhat cursive.

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

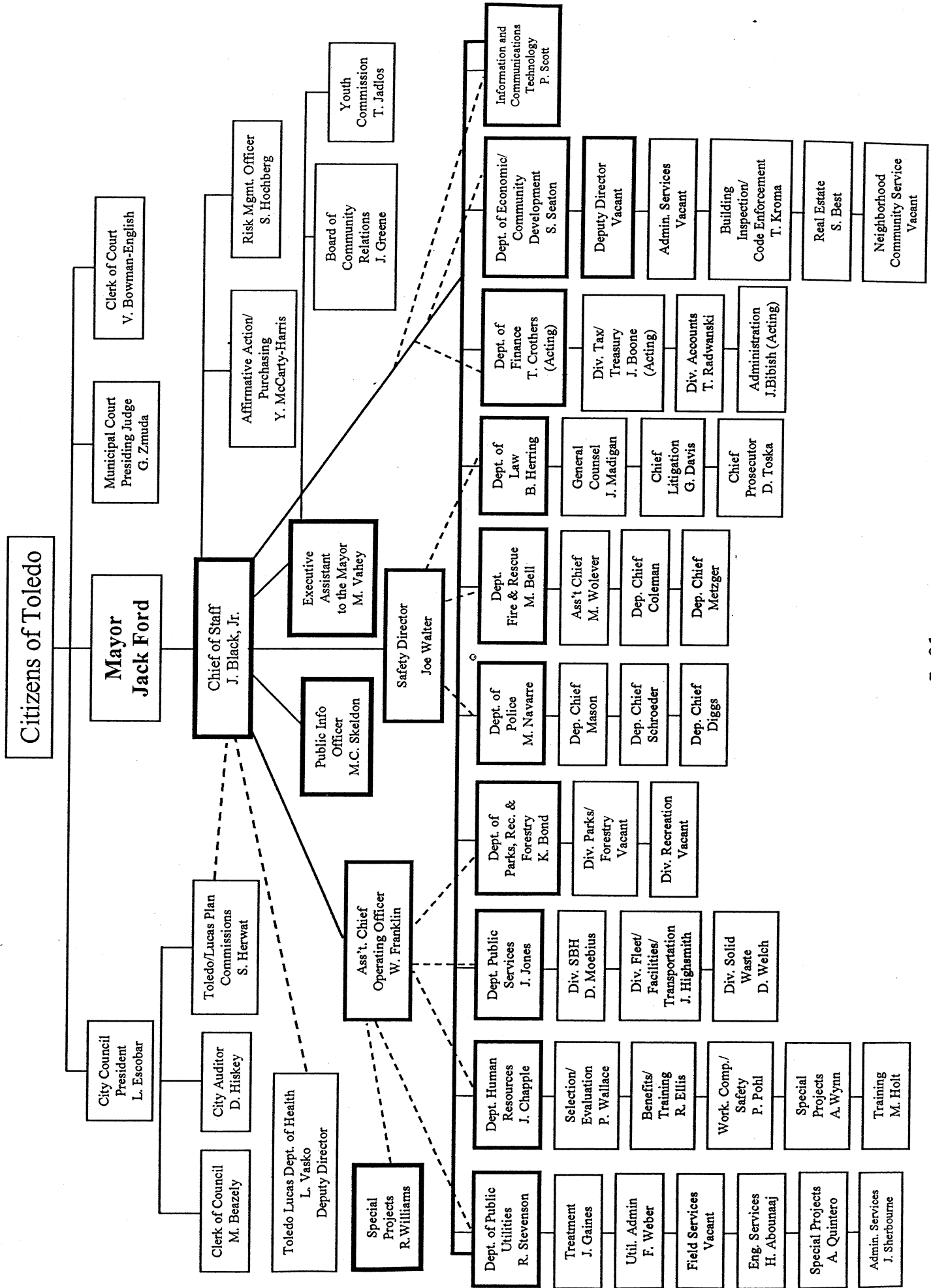
MEMBERS OF COUNCIL

| <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. Grachek (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



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**FINANCIAL
SECTION**

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 financials 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 Henderson 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 device 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 |
| Total Assets | \$597,451 | \$584,833 | \$12,618 | \$660,507 | \$617,947 | \$42,560 | \$1,257,958 | \$1,202,780 | \$55,178 |
| 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) |
| Total liabilities | \$301,309 | \$295,665 | \$5,644 | \$304,255 | \$270,147 | \$34,108 | \$605,564 | \$565,812 | \$39,752 |
| Net assets | \$296,142 | \$289,168 | \$6,974 | \$356,252 | \$347,800 | \$8,452 | \$652,394 | \$636,968 | \$15,426 |
| 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) |
| Total net assets | \$296,142 | \$289,168 | \$6,974 | \$356,252 | \$347,800 | \$8,452 | \$652,394 | \$636,968 | \$15,426 |

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 | Total | Increase/ (Decrease) |
| | 2002 | 2003 | | 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 1 ^a | \$272,536 | \$289,168 | \$16,632 | \$336,249 | \$347,800 | \$11,551 | \$608,785 | \$636,968 | \$28,183 |
| Net asset - December 31 ^a | \$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 | | Total |
|--|------------------------------------|-------------------------------------|------------------------|
| | Governmental Activities | Business-Type Activities | |
| 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 | | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | |
| 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)

| | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|-------------------|-------------------------|------------------|-------------------|--|-----------------------------|---------------------|
| Functions/Programs | 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 Governmental Activities | \$ 282,815 | \$ 38,612 | \$ 54,155 | \$ 16,172 | \$ (173,876) | \$ --- | \$ (173,876) |
| Business-Type Activities: | | | | | | | |
| Water | 28,211 | 32,578 | --- | --- | --- | 4,367 | 4,367 |
| Sewer | 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 | 55 | 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 | \$ 17,749 | \$ (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 | (75) | 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)**

| | Other Governmental Funds | Total Governmental Funds |
|--|---|---|
| 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 | 537 | 3,576 |
| 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-Designated for Future Years' Expenditures | --- | 533 |
| General Fund-Designated for Budget Stabilization | --- | 8,860 |
| Capital Improvements | --- | 13,900 |
| Special Assessments | --- | (36,834) |
| Other Governmental | 9,382 | 11,239 |
| 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. | | <u>60,660</u> |
| 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 | <u>\$ 214,335</u> | <u>\$ 20,117</u> | <u>\$ 18,127</u> | <u>\$ 33,047</u> | <u>\$ 285,626</u> |
| 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 | <u>\$ 187,637</u> | <u>\$ 46,972</u> | <u>\$ 20,792</u> | <u>\$ 45,280</u> | <u>\$ 300,681</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>26,698</u> | <u>(26,855)</u> | <u>(2,665)</u> | <u>(12,233)</u> | <u>(15,051)</u> |
| 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) | <u>\$ (30,095)</u> | <u>\$ 29,969</u> | <u>\$ 47</u> | <u>12,062</u> | <u>\$ 11,983</u> |
| 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 | <u>\$ 13,420</u> | <u>\$ 44,472</u> | <u>\$ (35,461)</u> | <u>\$ 15,694</u> | <u>\$ 38,125</u> |

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> | <u>Governmental Activities – Internal Service Funds</u> |
|---|-------------------|------------------|---------------------------------|------------------|---|
| 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 | 2,429 | 725 | --- | 3,154 | --- |
| 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> | <u>Governmental Activities - Internal Service Funds</u> |
|--|----------------------|---------------------|---------------------------------|----------------------|---|
| 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>---</u> | <u>---</u> | <u>9,754</u> | <u>9,754</u> | <u>---</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: | 78,817 | 175,560 | (100) | 254,277 | 11,415 |
| Reserved for Debt Service | 5,306 | 4,194 | 106 | 9,606 | --- |
| Reserved for Replacement | 39,145 | 28,593 | 3,026 | 70,764 | 1,999 |
| Reserved for Improvement | 48,484 | 23,763 | 12,313 | 84,560 | --- |
| Unrestricted | <u>(48,132)</u> | <u>(31,439)</u> | <u>16,616</u> | <u>(62,955)</u> | <u>5,181</u> |
| Total Net Assets | <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)**

| | <u>Business-Type Activities – Enterprise Funds</u> | | | | <u>Governmental Activities – Internal Service Funds</u> |
|--|--|-------------------|---------------------------------|-----------------|---|
| | <u>Water</u> | <u>Sewer</u> | <u>Non-Major Enterprise</u> | <u>Total</u> | |
| 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 | 5,468 | 1,464 | (551) | 6,381 | (2,524) |
| Transfers In | 65 | 76 | 931 | 1,072 | 3,865 |
| 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 | 5,520 | 1,524 | (144) | 6,900 | (5,645) |
| 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 | --- | --- | --- |
| | <u>3,098</u> | <u>5,323</u> | <u>9,170</u> |
| Net Cash Provided by (Used for) Operating Activity | | | |
| Cash Flows from Noncapital Financing Activities | | | |
| Operating Transfers In | 52 | 60 | 931 |
| Operating Transfers Out | --- | --- | (524) |
| | <u>52</u> | <u>60</u> | <u>407</u> |
| Net Cash Provided by (Used for) Noncapital Financing Activities | | | |
| 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) |
| | <u>2,364</u> | <u>(1,922)</u> | <u>(5,822)</u> |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | | | |
| 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 | 1,153 | 725 | 812 |
| | <u>(10,864)</u> | <u>(5,642)</u> | <u>(1,741)</u> |
| Net Cash Provided by (Used for) Investing Activities | | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | (5,350) | (2,181) | 2,014 |
| 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>---</u> | <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 | (5,517) | (4,147) |
| 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 | <u>2,934</u> | <u>13</u> | <u>47</u> | <u>38</u> | <u>65</u> | <u>76</u> | <u>21</u> | <u>3,792</u> | <u>6,986</u> |
| 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:

| | <u>Balance at</u> <u>Beginning of Year</u> | <u>Current-Year</u> <u>Claims and Changes</u> <u>in Estimates</u> | <u>Claim</u> <u>Payments</u> | <u>Balance at End</u> <u>of Year</u> |
|------|---|---|---------------------------------|---|
| 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:

| | <u>Balance at Beginning of Year</u> | <u>Current-Year Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Balance at End of Year</u> |
|------|---|---|---------------------------|-----------------------------------|
| 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> |

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 | <u>\$ 167,863</u> | <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>---</u> | <u>158,689</u> | <u>158,689</u> |
| Total | <u>\$(6,122)</u> | <u>\$ 227,051</u> | <u>\$220,929</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 | | | Carrying Amount | Fair Value |
|-----------------------------------|------------------|---------------|---------------|--------------------|-------------------|
| | 1 | 2 | 3 | | |
| 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 | <u>32,420</u> | <u>---</u> | <u>---</u> | <u>32,420</u> | <u>32,420</u> |
| | <u>\$195,409</u> | <u>\$ ---</u> | <u>\$ ---</u> | 195,409 | 195,409 |
| State Treasurer's Investment Pool | | | | <u>31,642</u> | <u>31,642</u> |
| 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 | 806 | --- |
| 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>\$4,411,593</u> | | <u>\$15,223</u> | <u>\$17,228</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.

| <u>Apportionment of Total Tax Rate</u> | <u>Tax Rate Per Thousand</u> | <u>Actual 2003 Receipts</u> | <u>Due in 2004</u> |
|---|----------------------------------|---------------------------------|------------------------|
| 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 | \$24,781 | --- | --- | \$24,781 |
| <i>Total Capital assets not being depreciated</i> | <u>24,781</u> | <u>---</u> | <u>---</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 | 477,147 | 39,365 | --- | 516,512 |
| <i>Total capital assets being depreciated</i> | <u>\$632,890</u> | <u>\$42,341</u> | <u>---</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 | 190,220 | 21,066 | --- | 211,286 |
| <i>Total Accumulated Depreciation</i> | <u>272,090</u> | <u>27,289</u> | <u>---</u> | <u>299,379</u> |
| <i>Total net capital assets being depreciated</i> | <u>360,800</u> | <u>15,052</u> | <u>---</u> | <u>375,852</u> |
| <i>Net Governmental Activities capital assets</i> | <u>\$385,581</u> | <u>\$15,052</u> | <u>---</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>---</u> | <u>---</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 | 98 | --- | --- | 98 |
| <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 | 98 | --- | --- | 98 |
| <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 | <u>80,755</u> | <u>25,025</u> | <u>---</u> | <u>105,780</u> |
| <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 | <u>337,307</u> | <u>858</u> | <u>---</u> | <u>338,165</u> |
| <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 | <u>157,796</u> | <u>3,378</u> | <u>---</u> | <u>161,174</u> |
| <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 | \$ <u>27,289</u> |
| Business-Type Activities: | |
| Water | \$ 3,365 |
| Sewer | 8,969 |
| Non-Major | <u>1,303</u> |
| Total Depreciation Expense – Business-Type Activities | \$ <u>13,637</u> |
| Internal Service Funds | <u>2,965</u> |
| Total Depreciation Expense | \$ <u>43,891</u> |

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

| | Balance at Beginning of Year | Increases/ Issuances | Reductions/ Retirements | Balance at End of Year | Due Within One Year |
|---------------------------|---|---------------------------------|------------------------------------|---------------------------------------|------------------------------------|
| 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

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

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 | |
| | <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 | | | |
|-----------|---------------------------------|-----------------|--|--|
| | <u>Principal</u> | <u>Interest</u> | | |
| 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 | |
|-----------|-------------------------|-----------------|------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 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 | |
|-----------|------------------|-----------------|------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 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 | |
|-----------|-------------------|-----------------|------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 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 | |
|--------------|------------------|-----------------|------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 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 | G.O. Assessed | G. O. Internal Service | Revenue Obligations |
|--------------|------------------|------------------|---------------------------|------------------------|
| | <u>Principal</u> | <u>Principal</u> | <u>Principal</u> | <u>Principal</u> |
| 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>Interest</u> | <u>Principal</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> | General Long-Term <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 | --- | <u>1,053</u> |
| Total Minimum Lease Payments | 6,366 | 16,337 |
| Less Amount Representing Interest | <u>598</u> | <u>5,622</u> |
| Present Value of Net Minimum Lease Payments | <u>\$ 5,768</u> | <u>\$10,715</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:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------------|-----------------------------|--------------------------|
| 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 in 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 | 6.08 |
| | <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>Actual Amounts</u> | <u>Variance with Final Budget Positive/(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</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 | <u>38</u> | <u>105</u> | <u>849</u> | <u>744</u> |
| 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 | <u>---</u> | <u>30</u> | <u>73</u> | <u>43</u> |
| 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 | | | 10 | |
| 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>Actual</u> <u>Amounts</u> | <u>Positive</u> <u>(Negative)</u> <u>Variance</u> |
|--|-------------------------|-------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</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 | <u>\$ 18,077</u> | <u>\$ 18,077</u> | <u>\$ 18,127</u> | <u>\$ 50</u> |
| 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 | <u>\$ 22,461</u> | <u>\$ 22,609</u> | <u>\$ 20,792</u> | <u>\$ 1,817</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>\$ (4,384)</u> | <u>\$ (4,532)</u> | <u>\$ (2,665)</u> | <u>\$ 1,817</u> |
| OTHER FINANCING SOURCES | | | | |
| (USES): | | | | |
| Operating Transfers In | --- | 47 | 47 | --- |
| Operating Transfers (Out) | --- | --- | --- | --- |
| Total Other Financing Sources (Uses) | <u>\$ ---</u> | <u>\$ 47</u> | <u>\$ 47</u> | <u>\$ ---</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | <u>\$ (4,384)</u> | <u>\$ (4,485)</u> | (2,618) | <u>\$ 1,867</u> |
| Fund Balances (Deficit) at Beginning of Year | | | (33,066) | |
| Increase in Reserve for Inventory | | | 223 | |
| Fund Balance (Deficit) at Year-End | | | <u>\$(35,461)</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>Actual Amounts</u> | <u>Positive (Negative) Variance</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Intergovernmental Services | \$ 44,661 | \$ 44,661 | \$ 18,313 | \$(26,348) |
| Charges for Services | 96 | 96 | 98 | 2 |
| Investment Earnings | --- | --- | 1,080 | 1,080 |
| All Other Revenue | <u>735</u> | <u>735</u> | <u>626</u> | <u>(109)</u> |
| Total Revenues | \$ 45,492 | \$ 45,492 | \$ 20,117 | \$(25,375) |
| EXPENDITURES: | | | | |
| Capital Outlay | \$ 99,293 | \$ 99,293 | \$ 39,886 | \$ 59,407 |
| Debt Service: | | | | |
| Principal Retirement | 4,405 | 4,405 | 4,405 | --- |
| 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 | \$ 59,619 |
| 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 | (51) |
| Operating Transfers (Out) | (13,815) | (13,815) | (13,815) | --- |
| Bond Proceeds | 10,300 | 10,300 | 7,500 | (2,800) |
| Note Proceeds | 2,243 | 2,243 | 1,000 | (1,243) |
| Premiums on Bond | --- | --- | -- | -- |
| Sale of Fixed Assets | 75 | 75 | --- | (75) |
| Other | <u>---</u> | <u>---</u> | <u>--</u> | <u>--</u> |
| Total Other Financing Sources (Uses) | \$ 34,138 | \$ 34,138 | \$ 29,969 | \$ (4,169) |
| 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)**

| EXPENDITURES: | <u>INITIAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL AMOUNTS</u> | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|------------------------------------|---------------------------|-------------------------|---------------------------|---|
| 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> | <u>-</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> | <u>-</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> | <u>10</u> |
| 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> | <u>10</u> |
| 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> | <u>-</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> | <u>3</u> |
| 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> | <u>8</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> |
|---------------------------------|---------------------------|-------------------------|---------------------------|---|
| 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 | (25) | (10) | (10) | - |
| Total Fire | <u>46</u> | <u>136</u> | <u>136</u> | <u>-</u> |
| Natural Resources Administration | | | | |
| Personal Services | 438 | 126 | 126 | - |
| Materials and Supplies | 6 | 5 | 5 | - |
| Contractual Services | 161 | 117 | 114 | 3 |
| Total Natural Resources Administration | <u>605</u> | <u>248</u> | <u>245</u> | <u>3</u> |
| Recreation | | | | |
| Other | 3 | - | - | - |
| Total Recreation | <u>3</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Parks & Forestry | | | | |
| Other | 36 | 16 | 16 | - |
| Total Parks & Forestry | <u>36</u> | <u>16</u> | <u>16</u> | <u>-</u> |
| Fringe Benefits | | | | |
| Personal Services | 2,000 | 213 | 213 | - |
| Total Fringe Benefits | <u>2,000</u> | <u>213</u> | <u>213</u> | <u>-</u> |
| General Non-Departmental Services | | | | |
| Contractual Services | 13,228 | 2,209 | 2,139 | 70 |
| Other | 587 | 462 | 462 | - |
| Total General Non-Departmental Services | <u>13,815</u> | <u>2,671</u> | <u>2,601</u> | <u>70</u> |
| 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> | <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> |
|--------------------------------|---------------------------|-------------------------|---------------------------|---|
| 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 | 66 | (9) | (9) | - |
| 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 | 68,809 | 67,724 | 67,704 | 20 |
| 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 | 48,151 | 48,222 | 48,218 | 4 |
| Fringe Benefits | | | | |
| Personal Services | - | 858 | 858 | - |
| Total Fringe Benefits | - | 858 | 858 | - |
| General Non-Departmental Services | | | | |
| Contractual Services | 12 | 10,627 | 10,642 | (15) |
| Total General Non-Departmental Services | 12 | 10,627 | 10,642 | (15) |
| TOTAL PUBLIC SAFETY | 130,182 | 140,392 | 140,380 | 12 |
| COMMUNITY ENVIRONMENT | | | | |
| Planning Commission | | | | |
| Personal Services | 638 | 570 | 570 | - |
| Materials and Supplies | 19 | 19 | 19 | - |
| Contractual Services | 117 | 55 | 53 | 2 |
| Total Planning Commission | 774 | 644 | 642 | 2 |
| General Fund Utilities | | | | |
| Contractual Services | - | 247 | 247 | - |
| Total General Fund Utilities | - | 247 | 247 | - |

**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> |
|---------------------------------|---------------------------|-------------------------|---------------------------|---|
| 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> | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|------------------------------------|---------------------------|-------------------------|---------------------------|---|
| 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> | <u>-</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> | <u>-</u> |
| Recreation | | | | |
| Contractual Services | - | 6 | 6 | - |
| Total Recreation | <u>-</u> | <u>6</u> | <u>6</u> | <u>-</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> | <u>-</u> |
| Fringe Benefits | | | | |
| Personal Services | - | 138 | 138 | - |
| Total Fringe Benefits | <u>-</u> | <u>138</u> | <u>138</u> | <u>-</u> |
| TOTAL HEALTH | <u>15,579</u> | <u>13,915</u> | <u>13,890</u> | <u>25</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> |
|--|---------------------------|-------------------------|---------------------------|---|
| 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 | (6,482) | 1,129 | 641 | 488 |
| TOTAL DEBT SERVICE | 4,077 | 3,300 | 3,148 | 152 |
| 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 | <u>\$ 2,498</u> | <u>\$ 5</u> | <u>\$ 27</u> |
| 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 | <u>92</u> | <u>37</u> | <u>-</u> |
| 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) | <u>2,406</u> | <u>(32)</u> | <u>27</u> |
| Total Liabilities and Fund Balance (Deficit) | <u>\$ 2,498</u> | <u>\$ 5</u> | <u>\$ 27</u> |

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 | - | - | - |
| Due to Other Governments | - | - | 48 |
| 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 |
|---|----------------------------|---------------------|--|
| 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 | - |
| Total Revenues | 9,842 | 7,481 | 24 |
| 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 | - | - |
| Total Expenditures | 9,762 | 6,556 | - |
| Excess (Deficiency) of Revenues over Expenditures | 80 | 925 | 24 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 950 | 772 | - |
| Transfers (Out) | (1,499) | (410) | - |
| Note Proceeds | 665 | - | - |
| Sale of Fixed Assets | 18 | - | - |
| Total Other Financing Sources and (Uses) | 134 | 362 | - |
| 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 |

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 | - | 106 |
| Investment Earnings | - | 10 | - |
| 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 | | | - | |
| Fund Balance (Deficit) at Year End | | | \$ 3,896 | |

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

| | Initial Budget | Final Budget | Actual | Favorable (Unfavorable) Variance |
|---|--------------------|---------------|-----------------|--|
| 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 | | | Favorable (Unfavorable) Variance |
|---|--------------------------------|--------------|-----------------|--|
| | Initial Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Special Assessments | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - |
| Intergovernmental Services | - | 365 | - | (365) |
| Charges for Services | - | - | - | - |
| Investment Earnings | - | - | 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 |
| Health | - | - | - | - |
| Parks and Recreation | - | - | - | - |
| Capital Outlay | 192 | 192 | - | 192 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - |
| Total Expenditures | 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 Beginning of Year | | | 1,130 | |
| 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,
Expenditures and Changes in
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,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2003
(Amounts in Thousands)
(Continued)

Cemeteries Property
Acquisition Site Development

| | Initial Budget | Final Budget | Actual | Favorable (Unfavorable) Variance |
|---|----------------|--------------|--------------|--|
| 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 | | | 52 | |
| Increase in Reserve for Inventory | | | - | |
| Fund Balance (Deficit) at Year End | | | \$ 56 | |

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)

| | 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,
Expenditures and Changes in
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 |
| Total Revenues | - | 100 | 1,622 | 1,522 |
| 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,
 Expenditures and Changes in
 Fund Balances
 -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 | | | (1,048) | |
| Increase in Reserve for Inventory | | | - | |
| | | | ----- | |
| Fund Balance (Deficit) at Year End | | | \$ (1,112) | |
| | | | ===== | |

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)

| | 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) Variance |
|---|---------------------------------|--------------|--------|--|
| | Initial Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Special Assessments | \$ - | \$ 270 | \$ 142 | \$ (128) |
| Intergovernmental Services | - | - | - | - |
| Investment Earnings | - | - | - | - |
| Total Revenues | - | 270 | 142 | (128) |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 112 | 112 | 112 | - |
| Interest and Fiscal Charges | 30 | 30 | 26 | 4 |
| Total Expenditures | 142 | 142 | 138 | 4 |
| Excess (Deficiency) of Revenues over Expenditures | (142) | 128 | 4 | (124) |
| 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 | \$ (124) |
| Fund Balances (Deficit) at Beginning of Year | | | 25 | |
| Fund Balance (Deficit) at Year End | | | \$ 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)
(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 |
|---|---------------------------------------|
| | ----- |
| Assets | |
| Receivables (Net of Allowance for Uncollectible Accounts): | |
| Accounts | \$ - |
| Special Assessments | 1,665 |
| Interfund Receivable | - |
| Prepaid Expenditures | - |
| Inventory of Supplies | - |
| Restricted Assets: | |
| Investments | 421 |
| | ----- |
| Total Assets | \$ 2,086 |
| | ===== |
| 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 |
| | ----- |
| Total Liabilities | 3,392 |
| | ----- |
| Fund Balances (Deficit): | |
| Reserved for Encumbrances | 180 |
| Reserved for Inventory of Supplies | - |
| Reserved for Capital Improvements | - |
| Reserved for Prepaid Expenditures | - |
| Undesignated | (1,486) |
| | ----- |
| Total Fund Balance (Deficit) | (1,306) |
| | ----- |
| 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 | |
| Revenues: | | | | |
| Special Assessments | \$ - | \$ - | \$ 328 | \$ 328 |
| Intergovernmental Services | - | - | - | - |
| Charges for Services | - | - | - | - |
| Investment Earnings | - | - | (3) | (3) |
| All Other Revenue | - | - | - | - |
| Total Revenues | - | - | 325 | 325 |
| Expenditures: | | | | |
| Capital Outlay | 376 | 876 | 512 | 364 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | - |
| Interest and Fiscal Charges | 274 | 324 | 34 | 290 |
| Total Expenditures | 650 | 1,200 | 546 | 654 |
| Excess (Deficiency) of Revenues over Expenditures | (650) | (1,200) | (221) | 979 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | - | - |
| Bond Proceeds | - | 1,585 | 120 | (1,465) |
| Premiums on Bond | - | - | 7 | 7 |
| Total Other Financing Sources and (Uses) | - | 1,585 | 127 | (1,458) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ (650) | \$ 385 | (94) | \$ (479) |
| Fund Balances (Deficit) at Beginning of Year | | | (1,212) | |
| Fund Balance (Deficit) at Year End | | | \$ (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 | | | | | Total Non Major Enterprise |
|---|----------------------------|---------------------------------------|------------------|------------------------|----------------------------------|----------------------------------|
| | Storm Sewer | Utility Administrative Services | Parking | Property Management | Small Business 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 | Utility Administrative Sewer Services | 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: | 7,389 | (677) | 14,370 | (21,904) | 722 | (100) |
| Reserved for Debt Service | 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 Administrative Services | Parking | Property Management | Small Business Development | Total |
|---|---------------|---------------------------------------|---------------|------------------------|----------------------------------|----------------|
| Operating Revenues: | | | | | | |
| Charges for Services | \$ 8,264 | \$ 8,004 | \$ 592 | \$ 871 | \$ 52 | \$ 17,783 |
| Other Revenue | 13 | 81 | 764 | 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 | 3,185 |
| Materials and Supplies | 119 | 338 | - | - | - | 457 |
| Utilities | 19 | 64 | - | - | 16 | 99 |
| Depreciation and Amortization | 108 | 397 | 578 | 220 | - | 1,303 |
| 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 | - | 814 |
| Interest Expense and Fiscal Charges | (29) | (296) | (626) | (1,554) | - | (2,505) |
| Sale of Fixed Assets | - | - | - | (4,614) | - | (4,614) |
| State Grants | 854 | - | - | - | - | 854 |
| Other Revenue (Expenses) | - | - | - | (911) | - | (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 | - | 931 |
| Operating Transfers (Out) | - | - | (50) | (474) | - | (524) |
| 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 | 32,105 |
| 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 | \$ 8,085 | \$ 1,392 | \$ 1,941 | \$ 143 | \$ 19,806 |
| Payment to Suppliers | (559) | (2,339) | - | 89 | (26) | (2,835) |
| Payment to Employees | (2,465) | (5,323) | - | - | (13) | (7,801) |
| 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) | (21) | - | - | - | (1,238) |
| Principal Paid on Bond Maturities | (121) | (242) | (715) | (928) | - | (2,006) |
| 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 Maturities 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: | | | | | | |
| Depreciation and Amortization | 108 | 397 | 578 | 220 | - | 1,303 |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) Decrease in Accounts Receivable | (32) | 34 | | 1,056 | 92 | 1,150 |
| (Increase) Decrease in Prepaid Expenses | 8 | (27) | | 11 | 7 | (9) |
| (Increase) Decrease in Interfund Receivable | | | | | | 8 |
| (Increase) Decrease in Due from Other Governments | | | | | | - |
| (Increase) Decrease in Deferred Debt Issuance Costs | | | | | | - |
| (Increase) Decrease in Inventory of Supplies | (316) | (32) | | (36) | 7 | (32) |
| Increase (Decrease) in Accounts Payable | | (31) | 10 | | | (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 |
|---|---------------------|------------------------|----------------------------|
| | ----- | ----- | ----- |
| 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 |
| | ----- | ----- | ----- |
| 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 |
| | ===== | ===== | ===== |
| 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 |
| | ----- | ----- | ----- |
| 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) |
| | ===== | ===== | ===== |

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 Data 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: | | | | | | | |
| (Purchase) 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 | 125 | (1,245) | 24 | (131) | (13) | (2,907) | (4,147) |
| Cash and Cash Equivalents at Beginning of Year | - | 4,662 | - | 483 | 5,433 | 14,519 | 25,097 |
| 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 | 2,892 | 124 | 25 | (31) | 363 | 1,155 | 4,528 |
| 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)

| | <u>General Agency</u> | <u>Municipal Court</u> | <u>Total</u> |
|--|-----------------------|------------------------|-----------------|
| 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 | <u>\$ 833</u> | <u>\$ 826</u> | <u>\$ 1,659</u> |
| 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 | <u>\$ 833</u> | <u>\$ 826</u> | <u>\$ 1,659</u> |
| Net Assets: | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> |

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 | \$ 756 | \$ -886 | \$ 809 | \$ 833 |
| Investments | --- | --- | --- | --- |
| Prepaid Expenses | --- | --- | --- | --- |
| Interfund Receivables | <u>---</u> | <u>---</u> | <u>---</u> | <u>---</u> |
| Total Assets | <u>\$ 756</u> | <u>\$ 886</u> | <u>\$ 809</u> | <u>\$ 833</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 41 | \$ 844 | \$ 850 | \$ 35 |
| Escrow | --- | --- | --- | --- |
| Interfund Payables | --- | --- | --- | --- |
| Due to Other Governments | --- | --- | --- | --- |
| Other Current Liabilities | 715 | 782 | 699 | 798 |
| Accrued Compensated Absences | <u>---</u> | <u>---</u> | <u>---</u> | <u>---</u> |
| Total Liabilities | <u>\$ 756</u> | <u>\$ 1,626</u> | <u>\$ 1,549</u> | <u>\$ 833</u> |

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

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 | \$ 833 |
| Investments | 931 | --- | 105 | 826 |
| Prepaid Expenses | --- | --- | --- | --- |
| Interfund Receivables | --- | --- | --- | --- |
| Total Assets | <u>\$ 1,687</u> | <u>\$ 886</u> | <u>\$ 914</u> | <u>\$ 1,659</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 41 | \$ 844 | \$ 850 | \$ 35 |
| Escrow | 931 | --- | 105 | 826 |
| Interfund Payables | --- | --- | --- | --- |
| Due to Other Governments | --- | --- | --- | --- |
| Other Current Liabilities | 715 | 782 | 699 | 798 |
| Accrued Compensated Absences | --- | --- | --- | --- |
| Total Liabilities | <u>\$ 1,687</u> | <u>\$ 1,626</u> | <u>\$ 1,654</u> | <u>\$ 1,659</u> |

**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 | <u>963</u> | <u>10,537</u> | <u>2,081</u> |
| 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 | <u>5,318</u> | <u>7,503</u> | <u>21,799</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>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
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2003 (AMOUNTS IN THOUSANDS)
(CONTINUED)

| FUNCTION AND ACTIVITY | <u>LAND</u> | <u>BUILDINGS AND CONSTRUCTION IN PROGRESS</u> | <u>IMPROVEMENTS</u> |
|-----------------------------------|--------------------|--|----------------------------|
| Public Safety: | | | |
| Police | \$ 209 | \$ 6,395 | \$ 1,583 |
| Fire | 738 | 6,629 | 2,258 |
| Traffic Engineering | <u>—</u> | <u>—</u> | <u>3,383</u> |
| 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 | <u>298</u> | <u>289</u> | <u>2,971</u> |
| 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 | 24,781 | 61,552 | 51,018 |
| Less: Accumulated Depreciation .. | — | <u>(42,207)</u> | <u>(22,572)</u> |
| 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>7,772</u> |
| <u>15,792</u> | <u>1,664</u> | --- | <u>38,651</u> |
| 43 | 124 | --- | 223 |
| 1,079 | 50 | --- | 24,397 |
| <u>2,308</u> | <u>36</u> | --- | <u>5,902</u> |
| <u>3,430</u> | <u>210</u> | --- | <u>30,522</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>\$ 21,360</u> | <u>\$ 1,475</u> | <u>\$305,226</u> | <u>\$ 400,633</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..... | <u>22,605</u> | <u>684</u> | <u>--</u> | <u>23,289</u> |
| 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..... | <u>44,961</u> | <u>1,359</u> | <u>--</u> | <u>46,320</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)
(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 | <u>7,772</u> | <u>--</u> | <u>--</u> | <u>7,772</u> |
| Total Public Safety | <u>37,718</u> | <u>933</u> | <u>--</u> | <u>38,651</u> |
| Natural Resources: | | | | |
| Administration | 223 | -- | -- | 223 |
| Parks and Recreation | 24,397 | -- | -- | 24,397 |
| Forestry | <u>5,902</u> | <u>--</u> | <u>--</u> | <u>5,902</u> |
| Total Natural Resources..... | <u>30,522</u> | <u>--</u> | <u>--</u> | <u>30,522</u> |
| 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 .. | <u>(272,090)</u> | <u>(27,289)</u> | <u>--</u> | <u>(299,379)</u> |
| Net General Fixed Assets..... | <u>\$ 385,581</u> | <u>\$ 15,052</u> | <u>\$ --</u> | <u>\$ 400,633</u> |

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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 UTILITIES | PUBLIC SAFETY | COMMUNITY ENVIRONMENT | HEALTH |
| 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 SPECIAL ASSESSMENTS | | | GRANTS AND SUBSIDIES |
|----------------|-----------------|---|----------|----------|----------------------------|
| | | LICENSES AND PERMITS | | | |
| 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 | 2¼% |
| 1995 | 129,789 | 2¼% |
| 1996 | 138,487 | 2¼% |
| 1997 | 142,701 | 2¼% |
| 1998 | 144,505 | 2¼% |
| 1999 | 150,170 | 2¼% |
| 2000 | 153,830 | 2¼% |
| 2001 | 150,911 | 2¼% |
| 2002 | 153,965 | 2¼% |
| 2003 | 155,112 | 2¼% |

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 VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE |
| 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 | | | | TOTAL TOLEDO RATE | TRANSIT AUTHORITY |
|---------------------------|-----------------|---------------------------|-------------------------|--|-------------------------|----------------------|
| | GENERAL FUND | POLICE PENSION FUND | FIRE PENSION FUND | | | |
| 1994 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 1995 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 1996 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 1997 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 1998 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 1999 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 2000 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 2001 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 2002 | 3.80 | .30 | .30 | | 4.40 | 2.50 |
| 2003 | 3.80 | .30 | .30 | | 4.40 | 2.50 |

Source: Lucas County Auditor

PERSONAL PROPERTY

TOTAL

| ASSESSED VALUE (2) | ESTIMATED ACTUAL VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | RATIO OF TOTAL ASSESSED TO TOTAL 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 |
|----------------------------|--------------------------------|--------------------------------------|---|--|
| 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⁾ |
|--------------------|---------------------------------|-------------------------------------|--|---|
| 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
UNVOTED 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 | 2,764 | 1.8% |
| | <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 |

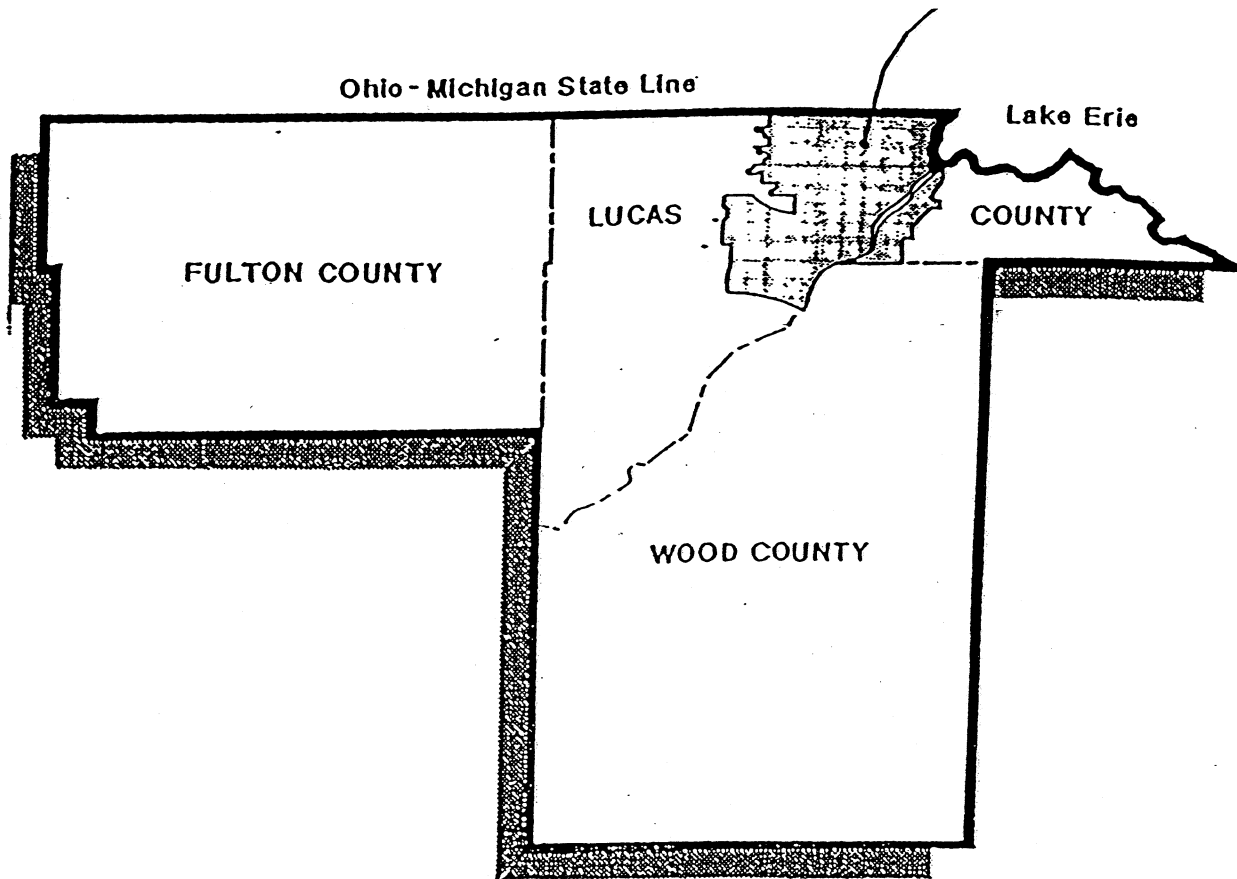
Major Categories and Employees of Non-Manufacturing Employment:

| | |
|---|--------|
| 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/Dillard's/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 | 3,514 | .1% |
| | | <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
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

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**