

CITY OF TOLEDO
Toledo, Ohio

**REPORTS ISSUED PURSUANT TO
THE OMB CIRCULAR A-133
December 31, 2004**



**Auditor of State
Betty Montgomery**

Honorable Mayor 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 Gunderston LLP, for the audit period January 1, 2004 through December 31, 2004. 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

July 19, 2005

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**Independent Auditor's Report on Internal Control Over Financial
Reporting Based on Compliance and Other Matters
Based on 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 financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Toledo, Ohio (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 3, 2005. 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.

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 financial statements and not to provide an opinion 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 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 caused by error or fraud 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 several matters involving the internal control over financial reporting and its operation that we considered 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 3, 2005.

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

Compliance and Other Matters

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

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 Henderson LLP

Toledo, Ohio
June 3, 2005

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on 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, 2004. 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 04-1 and 04-2 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding reporting that are applicable to its Local Law Enforcement Block Grant Program and Highway Planning and Construction Grant. 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, 2004.

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 04-1 and 04-2.

A material weakness is a reportable 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 caused by error or fraud 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 governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2004, and have issued our report thereon dated June 3, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 Henderson LLP

Toledo, Ohio
June 3, 2005

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2004

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and 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-01-MC-39-0021 B-02-MC-39-0021 B-03-MC-39-0021 B-04-MC-39-0021 B-04-MC-39-0021	\$ 49,258 (199,457) 124,925 4,031,830 4,724,658
Sub-Total CFDA 14.218			<u>8,731,214</u>
Emergency Shelter Grants Program	14.231	S03-MC-39-0021 S04-MC-39-0021	169,279 187,275
Sub-Total CFDA 14.231			<u>356,554</u>
Supportive Housing Program	14.235	S97-MC-39-0021 S01-MC-39-0021 S02-MC-39-0021 -	1,770 54,159 76,830 658,616
Sub-Total CFDA 14.235			<u>791,375</u>
Home Investment Partnership Program	14.239	- M-01-MC-39-0021 M-02-MC-39-0021 M-03-MC-39-0021 M-04-MC-39-0021	7,290 208,687 268,776 427,884 170,998
Sub-Total CFDA 14.239			<u>1,083,635</u>
CDBG/Economic Development Initiative Grant	14.246	B-99-SP-OH-0250 B-00-SP-OH-0327 B-03-SP-OH-0327 - - -	270,816 184,782 27,500 33,583 7,606 11,732
Sub-Total CFDA 14.246			<u>536,019</u>
CDBG/Jeep Project 108 Loan Guarantees	14.248	-	<u>20,100,000</u>
Lead Based Paint Hazard Control in Privately-Owned Housing	14.900	OH-LB-01-4799	<u>597,128</u>
Passed-through			
Lucas County Metropolitan Housing Authority Public and Indian Housing Drug Elimination Program	14.854	-	<u>(5,135)</u>
Total U.S. Department of HUD			<u>\$ 32,190,790</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2004

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
U.S. Department of Justice:			
Direct Grants			
Office of Juvenile Justice and Delinquency Prevention Juvenile Justice and Delinquency Prevention/ Allocation to States	16.540	03-DG-B01-B1006	\$ 4,000
Bureau of Justice Assistance Local Law Enforcement Block Grants Program	16.592	00-LB-BX-8674 01-LB-BX-1785 02-LB-BX-1646 03-LB-BX-1976 04-LB-BX-0456	3,172 18,258 204,824 70,049 <u>26,809</u>
Sub-Total for CFDA 16.592			<u>323,112</u>
Office of National Drug Control Policy High Intensity Drug Trafficking Area Grant (HIDTA) High Intensity Drug Trafficking Area Grant (HIDTA) Sub-Total for CFDA 16.000	16.000	I3P0HP501 I4P0HP501	146 <u>195,200</u> <u>195,346</u>
Office of Community Oriented Policing Services 2003 Technology Grant Program Public Safety Partnership and Community Policing Grant Sub-Total for CFDA 16.710	16.710	03-CKWX0163 01-CLWX0077	222,652 <u>110,330</u> <u>332,982</u>
Passed-through			
Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council Juvenile Accountability Incentive Block Grant	16.523	02-JB-011-L103	<u>1,014</u>
Office of Justice Programs/Bureau of Justice Assistance Byrne Formula Grant Program	16.579	02-WG-B01-B101 02-DG-B01-B1011 02-DG-B01-B1012 03-DG-B01-B1011 03-JJ-DP2-0313 03-WE-BX-0027	8,213 21,644 26,250 22,500 19,091 <u>81,455</u>
Sub-Total for CFDA 16.579			<u>179,153</u>
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	00-DG-B02-B1002 02-DG-B02-B1002 03-DG-B01-B1002 - - 03-DG-C01-B1021 03-DG-B01-B1026 -	(6,156) (387) (17,854) 18,370 65,735 70,971 37,132 <u>29,834</u>
Sub-Total for CFDA 16.580			<u>197,645</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2004

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
Violence Against Women Formula Grant	16.588		\$ 13,224
		04-WF-VA3-8841	19,400
		02-DG-E01-81013	61,128
Sub-Total for CFDA 16.588			<u>93,752</u>
Community Capacity Development Office	16.595		
2000 ONYX Grant		-	962
2001 ONYX Grant		-	(12,499)
2002 ONYX Grant		-	29,458
LDC Grant		-	170
LDC Grant		-	5,472
03 LDC Truancy Grant		-	(19,792)
04 LDC Truancy Grant		-	61,808
2002 Lagrange Grant		-	(9,701)
2003 Lagrange Grant		-	4,419
2004 Lagrange Grant		-	58,916
Sub-Total for CFDA 16.595			<u>119,213</u>
Total U.S. Department of Justice			<u>\$ 1,446,217</u>
U.S. Department of Transportation:			
Passed-through			
Ohio Department of Transportation			
Highway Planning and Construction Grants	20.205		
MLK Rehabilitation Projects		-	\$ 1,511,329
Airport Hwy (80/20)		-	488,479
Centralized Traffic Control		-	300,646
Traffic Control		-	504,512
Alexis Road Rehab		-	(420,025)
Route 24 Anthony Wayne Trail		-	(43,939)
Buckeye Basin		-	33,709
Laskey Road		-	85,168
Sub-Total for CFDA 20.205			<u>2,459,879</u>
Ohio Department of Highway Safety			
State and Community Highway Safety	20.600		
02 Selective Traffic Enforcement Program Grant		-	(4,865)
03 Selective Traffic Enforcement Program Grant		-	(799)
Sub-Total for CFDA 20.600			<u>(5,664)</u>
Total U.S. Department of Transportation			<u>\$ 2,454,215</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2004

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
U.S. Environmental Protection Agency(EPA):			
Direct Grants			
Brownfield Pilot Grant	66.811	BT-98538801	\$ 16,055
Brownfield Job Training Development Pilot Grant		BT-97535501	62,214
04 Brownfield Job Training Development Pilot Grant		-	605
04 Petroleum Remediation		-	825
04 Hazardous Sub Revolving		-	713
Brownfield Petroleum		-	66,594
04 Petroleum Assessment		-	780
04 Non-Petroleum Assessment		-	3,420
Brownfield Petroleum Cleanup		-	6,014
Smart Growth in Brownfield		-	3,243
Sub-Total for CFDA 66.811			<u>160,463</u>
Passed-through			
Ohio Environmental Protection Agency			
Air Pollution Control Program Support	66.001	-	(4,490)
Air Pollution Control Program Support		-	(21,573)
Air Pollution Control Program Support		-	225,758
Air Pollution Control Program Support		-	47,945
Sub-Total for CFDA 66.001			<u>247,640</u>
Capitalization Grants for State Revolving Funds			
OWDA Loans	66.458	-	19,079,736
Army Corp of Engineers			665,000
Sub-Total for CFDA 66.458			<u>19,744,736</u>
Total U.S. EPA			<u>\$ 20,152,839</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2004

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
U.S. Department of Health and Human Services:			
Direct Grants			
Public Health and Social Services Emergency Fund	93.003	-	\$ 38,597
Preventive Health and Health Services Block Grant	93.991	-	106
Passed-through			
State Department of Health Bioterrorism Training and Curriculum Development Public Program 2003 Regional Medical Response System	93.996	-	19,546
Total U.S. Department of Health and Human Services			\$ 58,249
U.S. Department of Homeland Security:			
Direct Grant			
Hazardous Materials Assistance Program	97.021		
FEMA Fire Act Grant		-	\$ 60,290
Sprinkler Grant		-	13,588
Emergency Operations (Fire)		-	40,181
Sub-Total for CFDA 97.021			\$ 114,059
U.S. Department of Industry:			
Direct Grants			
Urban Park and Recreation Recovery Program	15.919	-	\$ 117,091
Total Federal Awards Expended			\$ 56,533,460

CITY OF TOLEDO, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2004

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	\$ 2,944,865
Emergency Shelter Grants	14.231	356,554
Supportive Housing Grants	14.235	73,950
Home Investment Partnership Programs	14.239	764,075
Economic Development Initiative Grant	14.246	308,391
Department of Justice/Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council:		
Juvenile Justice and Delinquency Prevention	16.540	<u>4,000</u>
	Total Passed Through	<u>\$ 4,451,835</u>

This information is an integral part of the accompanying schedule.

CITY OF TOLEDO, OHIO

Schedule of Findings and Questioned Costs

Section I — Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:
• Material weakness(es) identified?
• Reportable condition(s) identified that are not considered to be material weaknesses?
Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:
• Material weakness(es) identified?
• Reportable condition(s) identified that are not considered to be material weakness(es)?

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

Identification of major programs:

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Rows include 14.218, 16.592, 20.205, and 66.458.

Dollar threshold used to distinguish between type A and type B programs: \$ 1,093,004

Auditee qualified as low-risk auditee?

Section II — Financial Statement Findings

None.

CITY OF TOLEDO, OHIO

Section III—Federal Award Findings and Questioned Costs

Reference 04-1—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 the 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.

Condition

The City has not submitted unobligated funds within 27 months of the initial payment of the grant year 2002. A final report has not been submitted for grant year 2002.

Effect

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

City Response and Corrective Action Plan

The closeout and reconciliation was in progress during the audit. It has since been completed. A letter has been prepared. It will be sent with the closeout report to the Department of Justice by the end of the quarter.

The police department will closeout current and future grants in a timely manner.

CITY OF TOLEDO, OHIO

Section III—Federal Award Findings and Questioned Costs

Reference 04-2—Reporting for Highway Planning and Construction

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 an accurate schedule of expenditures of federal awards for the period covered by the auditee's financial statements.

Condition

The City maintains subprogram accounts for both federal and non-federal projects. The amounts included on the schedule of federal awards are determined based on balance in the subprogram account. For the year ended December 31, 2004, total federal expenditures were overstated by \$101,359.70. This is attributable to non-federal expenditures being coded to the incorrect subprogram account.

Effect

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

Recommendation

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

City Response and Corrective Action Plan

The AOO (Administrative Operations Officer) of Streets, Bridges and Harbor will verify the proper distribution of funds for payment with monthly "Encumbrance Reports" and "Fund Balance (ROSS) Reports" supplied by the City Finance Department. The AOO will confer with the Staff Professional Engineer with any differences and contact Finance for verification, documentation and adjustments.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2004

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

Circular A-133 required the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements. The expenditure amount reported in the 2003 schedule of expenditures of federal awards for the Martin Luther King, Jr. Bridge project was 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 were determined based on the subprogram number.

Status

The Staff Professional Engineer and the AOO of Streets, Bridges and Harbor agreed to meet with the City Finance Department at the end of the year to verify all payments, disbursements and required adjustments for the year.

This finding will be corrected.

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
 CFDA 66.811 Grants

Circular A-133 required the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements. The City's general ledger did not accurately reflect current year expenditures under the grant agreement because personnel expenses were not reclassified against the grant subprogram number. A spreadsheet was maintained with actual grant expenditures, however, this spreadsheet had not been updated since September 2003.

Status

All correcting entries and reclassification of personnel expenses for both the Brownfield Pilot Grant and Job Training Development Grants has occurred. The City's general ledger accurately reflects all expenditures of the programs and final reimbursement from the U.S. EPA has been requested, received, and recorded as revenue in the City's general ledger.

This finding has been corrected.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2004

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 CFDA 66.811 Grants

EPA required quarterly reports to be submitted with activity. The City was not submitting quarterly reports nor were reports submitted for the Brownfield Job Training Pilot Grant for quarters in which there was no activity or classes held. in 30 days of quarter end regardless of reports to EPA within 30 days of quarter end,

Status

The Division of Environmental Services has been directed to submit accurate and timely quarterly reports. The U.S. EPA had not raised concerns with the City's reporting.

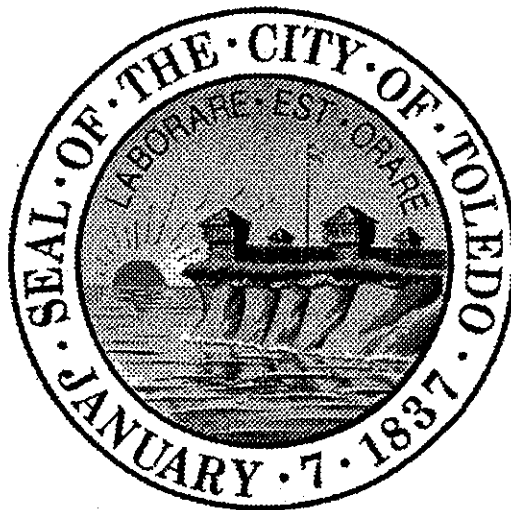
This finding will be corrected.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

DEPARTMENT OF FINANCE



"an elegant city-a point of destination"

CITY OF TOLEDO, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2004



PREPARED BY:

THE DEPARTMENT OF FINANCE

THOMAS CROTHERS, ACTING FINANCE DIRECTOR

INTRODUCTORY SECTION

**CITY OF TOLEDO, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2004
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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2004
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CITY OF TOLEDO



**JACK FORD
MAYOR**

June 30, 2005

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 2004 Comprehensive Annual Financial Report of the City of Toledo, for the year ended December 31, 2004. 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 2004 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 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, 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.

Dollar Amounts in Thousands

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.

The Toledo MSA serves as a major transportation center and 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 870 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.

Dollar Amounts in Thousands

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.

MAJOR INITIATIVES

Toledoans have a strong work ethic and a proud tradition of excellence in many industries including glassware and automotive. Our green spaces and parks are second to none. Without question, the Art Museum, the Toledo Zoo, and Fifth Third Field, home of the Toledo Mud Hens, 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 provide Toledo with the opportunity to continue to enhance 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 2004, the owners of Westfield Franklin Park Mall brought to fruition 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, completed in June, 2005, included construction of a new two-story wing and two parking garages. The new wing includes space for stores, restaurants and a 16-screen theater complex. The City provided certain public infrastructure improvements in support of the project.

Dana Corporation recently completed construction of a division office and research and development center for its Automotive Systems Group. That center, an approximately \$70 million, 183,000 square foot facility, is located in Maumee on an approximately 30-acre site formerly owned by the City. 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 2004. The Toledo MSA population is anticipated to remain through 2005 at an estimated 619,000.

Employment in the Toledo MSA is expected to continue 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. 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.

DaimlerChrysler subsequently announced agreements with three suppliers, Kuka Flexible Production Systems, Hyundai Mobis and Hayden, Inc., for the construction of a \$900 million, three million square foot manufacturing complex adjacent to the Stickney Avenue (Toledo North) Plant. The suppliers are expected to provide approximately one-third of the cost of the complex in return for receiving 14-year supply contracts from DaimlerChrysler. DaimlerChrysler and the suppliers expect to produce a redesigned Jeep Wrangler (beginning in 2006), a redesigned Jeep Liberty and two other products not yet identified at the complex. The associated product development costs have been estimated by DaimlerChrysler to be \$1.1 billion. DaimlerChrysler has estimated that total employment at the Plant and the new complex will approximate the total employed by DaimlerChrysler at its facilities in the City in 2004. Construction of the new complex began in 2004 and is expected to be completed in 2006.

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 2005 and to be completed in 2008. The expansion is expected to result in the creation of more than 60 permanent jobs at the Center.

Dollar Amounts in Thousands

In 2002, Mercy Health Partners opened St. Anne's Mercy Community Hospital, a \$60 million, 80-bed facility. St. Anne's Mercy provides a comprehensive range of inpatient and outpatient health services and now has 500 full and part-time employees. More than 800 physicians have admitting privileges on its medical staff.

The ProMedica Health System has announced a comprehensive plan to replace, renovate and expand facilities on its Toledo Hospital medical center campus in two phases over a five- to ten-year period beginning in July, 2005. The first phase, estimated to cost \$200 million, includes operating rooms, diagnostic areas, intensive care units and patient rooms. ProMedica recently completed a \$175 million borrowing to pay costs of those planned improvements. 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 has agreed to make certain street improvements in support of this development and has tentatively agreed to provide a 6.3-acre site for certain of the planned improvements.

In 2002, the State of Ohio began construction of a new bridge for the Interstate 280 crossing of the Maumee River. That bridge, a six-lane, cable-stayed structure with a signature design, will be located near the downtown area of the City and is expected to cost approximately \$220 million. The City currently has ongoing a \$40 million project for the improvement of its Martin Luther King Bridge over the Maumee River.

The resurgence of Downtown Toledo as a premier address for new and/or expanding office, cultural and retail establishments is being recognized. 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 2002, a new 10,000-seat county-owned baseball stadium for the Toledo Mud Hens opened in the Warehouse District of the downtown area of the City. The Mud Hens, a Triple A baseball team, is in the Detroit Tigers farm system. The cost to complete the stadium was \$41 million.

In March, 2005, the City and the City of Oregon agreed to cooperate in facilitating the development of a \$350 million coke plant on a site owned by the Port Authority on the Maumee River. U.S. Coking Group is currently seeking regulatory approvals for that plant that would provide approximately 200 jobs. The cities have agreed to create a joint economic development zone including this site, provide supporting infrastructure and services, and share certain income tax revenues for a 40-year period. It is uncertain when and whether U.S. Coking Group will receive the required approvals.

The City and the Port Authority are assembling and remediating property in the City's Marina District, an area bounded by the Maumee River, Interstate 280, Front Street and Main Street. The costs of the assembly and remediation are being paid from a variety of sources, including more than \$8 million from the City's Capital Improvement Fund, more than \$6 million of State of Ohio grant money, and a \$4.3 million grant from the largest local electric utility. The City and the Port Authority have solicited and evaluated various proposals for the redevelopment of a 125-acre site in the area. In March, 2005, the City and the Port Authority entered into a memorandum of understanding with a consortium of developers that contemplates a mix of uses including condominiums, apartments, retail facilities, restaurants, boat slips, and park and open spaces. The memorandum also provides for a study to recommend a location, size and method of financing for a new arena to replace the Toledo Sports Arena located in the Marina District.

In January, 2003, the Toledo City Schools District and the Ohio School Facilities Commission (OSFC) entered into a project agreement for the construction of 57 new schools, and the renovation of seven schools. The District and the OSFC estimate that this program of improvements would cost approximately \$800 million and be constructed in six segments over a period of approximately 10 years.

The school district is also undertaking additional school site and facilities projects including the acquisition and improvement of sites for classroom and other district buildings and facilities and the construction, renovation, remodeling, expansion, furnishing and equipping of auditoriums, stadiums and other facilities that are not included in the district's cooperative program of improvements with the OSFC. The district estimates that the school site and facilities project will be completed over a period of ten years and cost approximately \$23.6 million.

Many cultural and recreational opportunities are available in the City and 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 three years, the Museum has completed a major renovation and restoration of its existing facilities, dedicated a new sculpture garden and begun construction of a new 57,600 square foot Center for Glass, celebrating the City's role as the Glass City. The Glass Pavilion 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.

The Valentine Theater, a historic theater located in the downtown area of the City, hosts a variety of musical, dance and theatrical productions by the Toledo Symphony, the Toledo Ballet, the Toledo Opera, the Toledo Jazz Society and the Toledo Repertoire Theater, as well as culturally and ethnically diverse traveling shows and attractions. The Valentine, rebuilt in the 1990s, contains a 900-seat auditorium, three rehearsal halls, administrative offices and state-of-the-art sound and lighting systems.

Library services throughout the county are provided by the Toledo-Lucas County Public Library (the Library). The Library provides services through its Main Library in the downtown area of the City and 18 branch libraries throughout the county. It has the third largest public library collection in the state with over 2.3 million books and an annual circulation of over 6 million. In 2001, the Library completed work on a \$45 million expansion and renovation project at its Main Library, adding more than 271,000 square feet of library space and 300 parking spaces.

The City owns and operates 145 parks covering 2,368 acres and the Metropolitan Park District of the Toledo Area operates eleven parks covering 8,000 acres in the county. The state's Maumee Bay State Park, a 1,860-acre park featuring both Lake Erie and inland lake beaches, a links-style public golf course, and a resort and conference center, is located within eight miles of the city. Sailing, boating and fishing are common activities on Lake Erie and the Maumee River, which flows through the City.

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

The City is also home of the Toledo Storm, an East Coast Hockey League professional hockey team affiliated with the Detroit Red Wings. The Toledo Storm plays its home games in the Toledo Sports Arena located near the downtown area of the city.

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 has hosted business delegations from various foreign countries on several occasions.

Like many other state and local governments, the City has been affected by the downturn in the economy over the past 4 years. 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 projected revenues.

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.

Dollar Amounts in Thousands

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 provides all user departments and divisions a monthly budget report for use in monitoring their revenue and expenditure activity. This report is also used to compare budgeted activity to actual for the purpose of periodically supplementing or reducing appropriations based on proper legislative activity. The Finance Department gives City Council a monthly update on General Fund expense and revenue activity throughout the course of the year.

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 uses Grants, Loans, Lease Financing, Revenue Debt and General Obligation Debt when cash is 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, 2004, the City had a number of debt issues outstanding. These issues included \$138,827 of General Obligation Bonds and Notes. Of this, \$11,400 is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy and \$32,833 is supported by other revenue sources. In addition, the City also had outstanding \$113,074 of Revenue Debt and \$35,600 of Special Revenue Notes.

The City's General Obligation Note Program continued on a competitive bid basis for unenhanced and unrated notes. Currently, \$11,285 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 2004 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.

Dollar Amounts in Thousands

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 \$127,021 is well below the limits of \$243,278 of unvoted direct debt and \$464,400 of direct debt.

During 2004, 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 2004 was 1.6%. The City's investment performance compares favorably with the average yield on twelve month U.S. Treasury securities at .7%. The City earned interest income of \$4,818 on all investments for the year ending December 31, 2004. 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 commissioner includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognitive of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration, knowing that risk management is a "ground's-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.

Dollar Amounts in Thousands

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 2004 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, 2003 and 2004, 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 2004 basic financial statements.

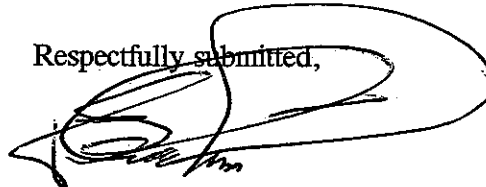
Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2003. This is the twenty-first year since 1982 that the City has received 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 'Tom Crothers', is written over a large, stylized, circular scribble.

Thomas S. Crothers
Acting Finance Director

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, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

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

MAYOR

JACK M. FORD

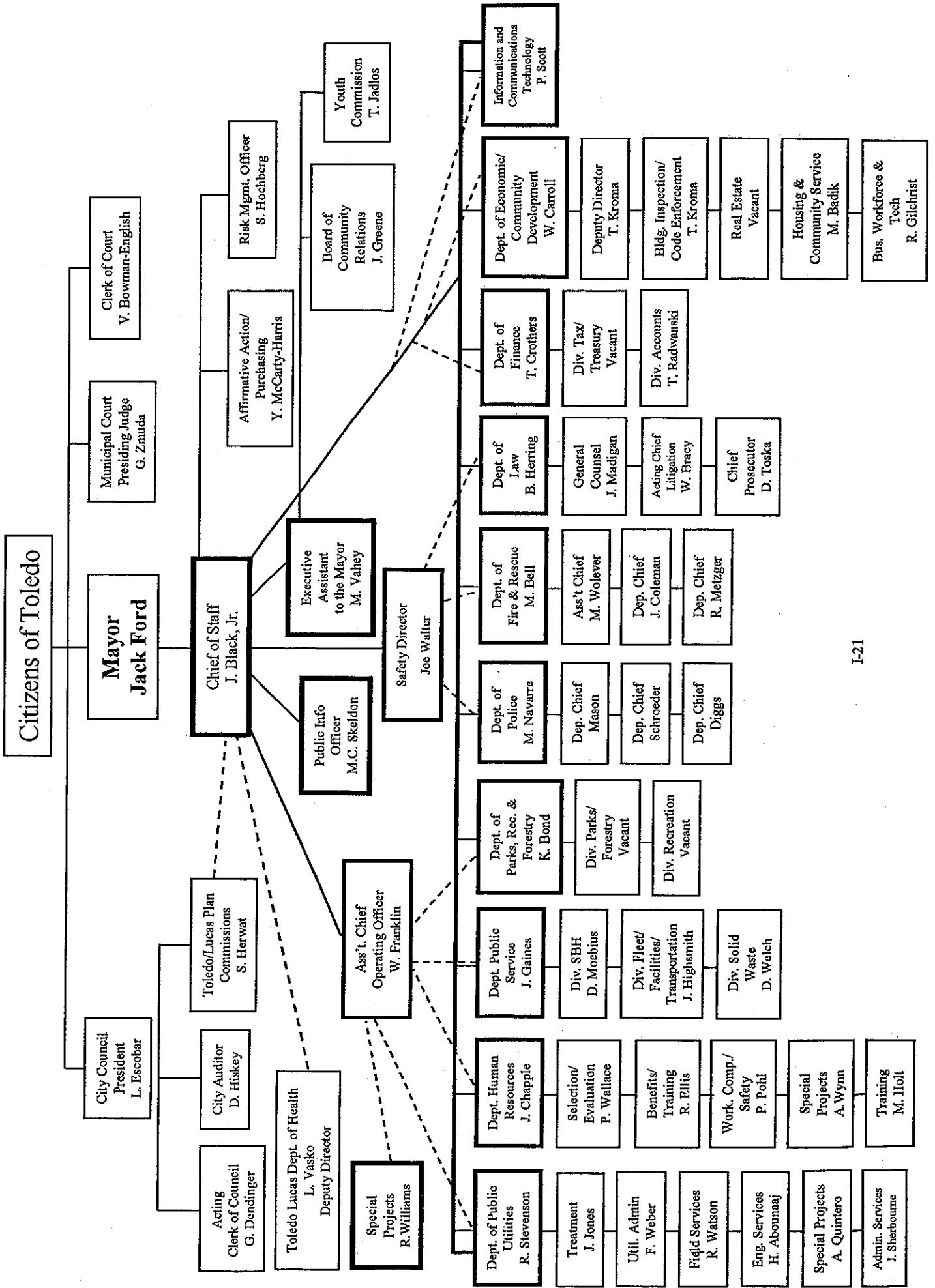
MEMBERS OF COUNCIL

<u>NAME</u>	<u>LENGTH OF SERVICE</u>
<u>At-Large Seats</u>	
Louis P. Escobar, President	Seven Years
Betty Shultz	Eleven Years
Peter Gerken	Eight Years, Seven Months
George Sarantou	Three Years
Francis J. Szollosi	Two Years
Karyn McConnell-Hancock	One Year, Ten Months
<u>District Seats</u>	
1. Wilma D. Brown (West-Central)	Seven Years
2. Rob Ludeman (South-West)	Eleven Years
3. Robert McCloskey (East Toledo-Historic South)	Eleven Years
4. Michael Ashford (Central City)	Three Years
5. Ellen M. Grachek (North-West)	Two Years
6. Wade Kapszukiewicz (North Toledo-Point Place)	Six 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, 2004, 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, 2004, 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 3, 2005 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, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Management's discussion and analysis and budgetary comparison on pages F5 through F17 and F87 through F91 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 3, 2005

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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, 2004. 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. Amounts are shown in thousands unless indicated otherwise.

Financial Highlights

- The general fund reported a fund balance of \$9 million at the end of the current fiscal year. There was a \$4 million decrease in the total general fund balance for the year ended December 31, 2004.
- The assets of the City of Toledo exceeded its liabilities at the close of 2004 by \$667 million. Of this amount, \$(8) million is considered unrestricted. Included in liabilities in the Statement of Net Assets in Other Debt totaling \$265 million is debt for pensions in the amount of \$11 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 \$28 million. The combined governmental funds fund balance decreased \$10 million from the prior year's ending fund balance. Approximately \$(50) million of the \$28 million fund balance is considered unreserved at December 31, 2004.
- The City's total debt increased by \$10 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.

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 are an integral part of the financial statements and 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-83 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-85 through F-91 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-93 through F-173 of this report.

Table 1:

City of Toledo									
Net Assets									
(amounts expressed in thousands)									
	Governmental activities		Increase/ (Decrease)	Business-type Activities		Increase/ (Decrease)	Total		Increase/ (Decrease)
	2004	2003		2004	2003		2004	2003	
Current and other assets	\$186,003	\$182,497	\$3,506	\$242,666	\$257,859	(\$15,193)	\$428,669	\$440,356	(\$11,687)
Capital assets	424,931	414,954	9,977	430,841	402,648	28,193	855,772	817,602	38,170
Total Assets	\$610,934	\$597,451	\$13,483	\$673,507	\$660,507	\$13,000	\$1,284,441	\$1,257,958	\$26,483
Long-term liabilities outstanding	221,359	220,598	761	189,846	184,129	5,717	411,205	404,727	6,478
Other liabilities	86,754	80,711	6,043	119,599	120,126	(527)	206,353	200,837	5,516
Total liabilities	\$308,113	\$301,309	\$6,804	\$309,445	\$304,255	\$5,190	\$617,558	\$605,564	\$11,994
Net assets	\$302,821	\$296,142	\$6,679	\$364,062	\$356,252	\$7,810	\$666,883	\$652,394	\$14,489
Invested in capital assets,									
net of related debt	\$243,683	\$248,832	(\$5,149)	\$229,170	\$254,276	(\$25,106)	\$472,853	\$503,108	(\$30,255)
Restricted	59,138	59,685	(547)	143,156	164,930	(21,774)	202,294	224,615	(22,321)
Unrestricted	-	(12,375)	12,375	(8,264)	(62,954)	54,690	(8,264)	(75,329)	67,065
Total net assets	\$302,821	\$296,142	\$6,679	\$364,062	\$356,252	\$7,810	\$666,883	\$652,394	\$14,489

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 \$667 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (71 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.

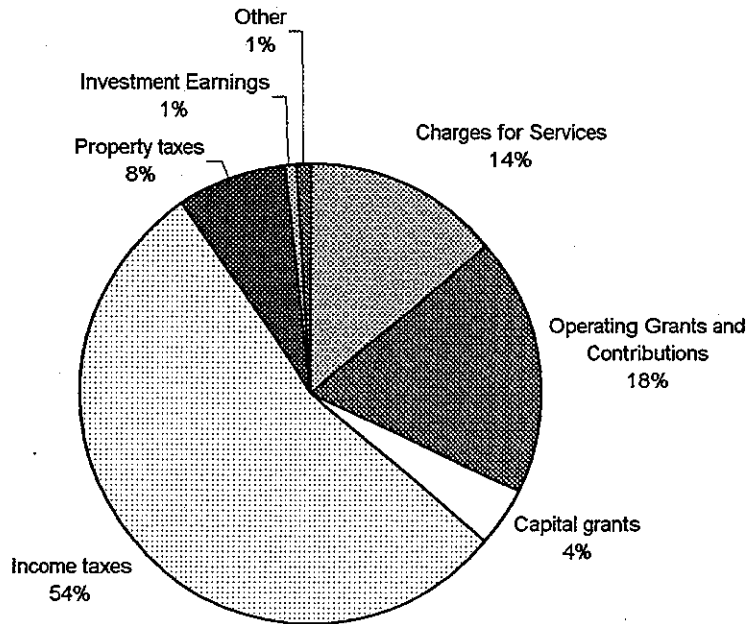
An additional portion of the City's net assets (30 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets is \$(8.3) million. The net assets of the City's business-type activities (\$364 million) may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$11 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2004. Comparison data for 2003 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			Business-type Activities			Total	Total	Increase/
	2004	2003	Increase/ (Decrease)	2004	2003	Increase/ (Decrease)	2004	2003	(Decrease)
Revenues:									
Program Revenues:									
Charges for Services	\$39,488	\$38,612	\$876	\$91,452	\$86,642	\$4,810	\$130,940	\$125,254	\$5,686
Operating Grants and Contributions	51,604	54,155	(2,551)	-	-	-	51,604	54,155	(2,551)
Capital grants	12,236	16,172	(3,936)	-	1,577	(1,577)	12,236	17,749	(5,513)
Income taxes	155,243	155,112	131	-	-	-	155,243	155,112	131
Property taxes	21,444	19,794	1,650	-	-	-	21,444	19,794	1,650
Investment Earnings	2,570	3,260	(690)	2,248	2,692	(444)	4,818	5,952	(1,134)
Other	2,702	3,204	(502)	1,102	(3,286)	4,388	3,804	(82)	3,886
Total Revenues	\$285,287	\$290,309	(\$5,022)	\$94,802	\$87,625	\$7,177	\$380,089	\$377,934	\$2,155
Expenses									
General government	\$26,721	\$26,790	(\$69)	-	-	-	\$26,721	\$26,790	(\$69)
Public Service	48,204	45,757	2,447	-	-	-	\$48,204	45,757	2,447
Public Safety	151,217	148,446	2,771	-	-	-	\$151,217	148,446	2,771
Public Utilities	808	1,085	(277)	-	-	-	\$808	1,085	(277)
Community Environment	17,918	19,465	(1,547)	-	-	-	\$17,918	19,465	(1,547)
Health	17,030	17,347	(317)	-	-	-	\$17,030	17,347	(317)
Parks & Recreation	7,765	7,488	277	-	-	-	\$7,765	7,488	277
Interest on Fiscal Charges	9,408	16,437	(7,029)	-	-	-	\$9,408	16,437	(7,029)
Water	-	-	-	30,356	28,214	2,142	30,356	28,211	2,145
Sewer	-	-	-	38,334	36,285	2,049	38,334	36,285	2,049
Other Enterprise Funds	-	-	-	17,837	15,196	2,641	17,837	15,196	2,641
Total Expenses	\$279,071	\$282,815	(\$3,744)	\$86,527	\$79,695	\$6,832	\$365,598	\$362,507	\$3,091
Increase in net assets before transfers	6,216	7,494	(1,278)	8,275	7,930	345	14,491	15,427	(936)
Transfers	462	(519)	981	(462)	519	(981)	-	-	-
Increase in net assets	6,678	6,975	(297)	7,813	8,449	(636)	14,491	15,427	(936)
Net asset - January 1 st	\$296,143	\$289,168	\$6,975	\$356,249	\$347,800	\$8,449	\$652,392	\$636,968	\$15,424
Net asset - December 31 st	\$302,821	\$296,143	\$6,678	\$364,062	\$356,249	\$7,813	\$666,883	\$652,395	\$14,488

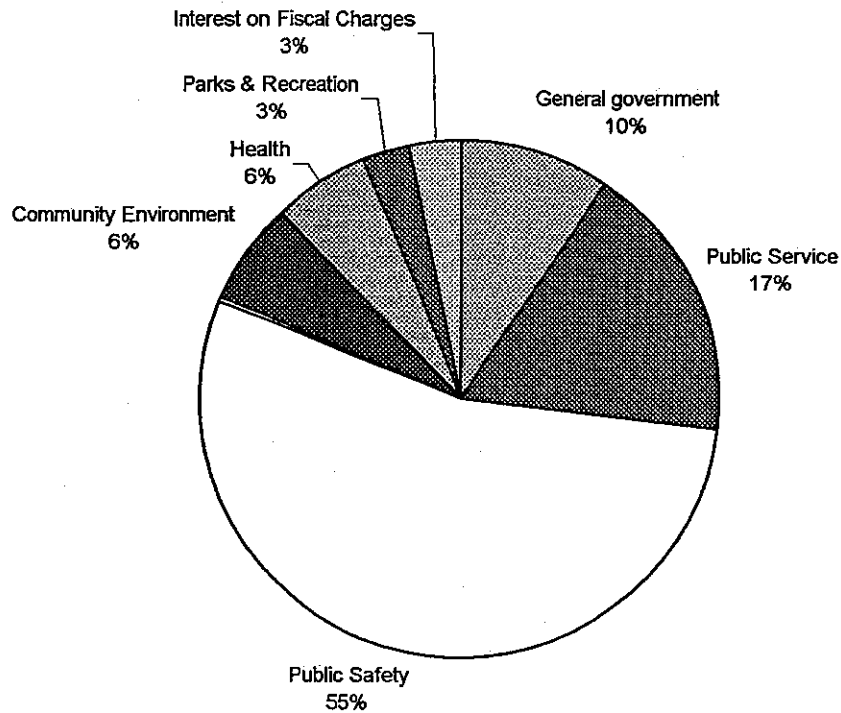
Revenues by Source - Governmental Activities



Governmental activities. Income tax revenue accounts for \$155,243 of the \$285,287 total revenue for governmental activity, or 54% of total revenue. Property taxes and Assessments account for \$21,444 or 8% of total revenue and Grants of \$63,840 account for 22% of total governmental revenue.

The City's charges for services made up \$39,488 or 14% of total governmental revenue. These charges are for user fees, fines and forfeitures, and licenses and permits associated with building inspection.

Expenses by Category - Governmental Activities



Public Safety accounts for \$151,217 of the \$279,071 total expenses for governmental activities, or 55% of total expenses. The next largest program is Public Service, accounting for \$48,204 representing 17% of total governmental expenses.

Business-type activities. The net assets for the business-type activities for the City increased by \$7,813 during the year 2004. Major revenue sources were charges for service of \$91,452 which increased approximately \$5 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, 2004, the City's governmental funds reported combined ending fund balances of \$28 million, a decrease of \$10 million in comparison with the prior year. Approximately \$(50) 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, 2004, total fund balance was \$9 million.

The fund balance of the City's general fund decreased by \$4 million during 2004. Key factors in this decline are as follows:

- Revenues increased \$3 million or 1 percent. Expenditures increased by \$1 million or 1 percent and the City utilized \$4 million of its Budget Stabilization Reserve.
- The increase in revenues is attributed to a minimal increase in property tax revenues for 2004.
- Transfers In from other funds decreased by \$3 million.

The capital improvement fund has a total fund balance of \$43 million. The net decrease in fund balance during 2004 in this fund was approximately \$1 million. This is due to timing of expenditures. On a budget basis, the fund balance is zero.

The special assessment services fund has a total fund deficit of \$(39) million. The net decrease in fund balance during 2004 in this fund was approximately \$4 million. Receivables of \$45 million for Special Assessments are offset by the same amount of Deferred Revenue, thus making the actual fund balance positive \$6.

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 \$(23) million and unrestricted net assets for the Sewer System was \$(.1) million. The increase in total assets was \$5 million and \$2 respectively.

The Water fund maintained all significant ratios including a Current Ratio of 2.12, Debt to Net Worth of .98, Long Term Debt to Total Capitalization of .52, and Debt Service Coverage Ratio of 2.5.

The Sewer fund maintained its significant ratios including Current Ratio of 2.19, Debt to Net Worth of .6, Long Term Debt to Total Capitalization of .36, and Debt Service Coverage Ratio of 3.8.

Water revenue increased 5 percent to \$34 million. Operating expenses for the water utility increased 8 percent largely due to increased contractual services.

Sewer revenue increased 13 percent. At the same time operating expenses in the sewer utility increased 4 percent due to an increase in personal services.

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 \$228 million, while the final appropriations were \$225 million. The decrease of approximately \$3 million was due to adjustments to operating expenses and other cost-cutting moves. There were no significant variations between the final amended budget and the final actual revenues & expenditures.

The following schedule presents a summary of General Fund revenues for the year ended December 31, 2004, 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	2004 Amount	% of Total	Increase (Decrease) from 2003	Percent Increase (Decrease)
Income Taxes	\$155,243	70.7	\$131	0.1
Property Taxes	17,206	7.8	1,983	13.0
Licenses & Permits	2,449	1.1	307	14.3
Intergovernmental Services	23,114	10.5	84	0.4
Charges for Services	12,914	5.9	123	1.0
Investment Earnings	1,117	0.5	(502)	(31.0)
Fines and Forfeitures	4,659	2.1	1,090	30.5
All Other Revenues	894	0.5	45	5.3
Other Financing Sources and Transfers In	2,050	0.9	(3,127)	(60.4)
Total Revenues & Other Financing Sources	\$219,646	100.0	\$134	0.1

Municipal Income Tax revenue increased .1% in 2004 from 2003. The increase can be attributed primarily to the fact that economic conditions in 2004 improved somewhat over 2003.

The increase in the Property Tax was due to an increase in property valuations 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 increases, reflecting stable recovery in economic activity. Other financing sources decreased due to the fact that last year's increase was due to a transfer from the Workers Compensation Fund.

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2004 and the percentage of increases and decreases in relation to prior year's amounts. Amounts in thousands.

Table 4:

Expenditures and Other Uses	2004 Amount	% of Total	Increase (Decrease) from 2003	Percent Increase (Decrease)
General Government	\$17,817	8.0	\$(832)	(4.5)
Public Service	1,537	.7	(192)	(11.1)
Public Safety	143,606	64.1	3,226	2.3
Public Utilities	20	0.1	20	0.0
Community Environment	5,026	2.2	235	(4.9)
Health	14,063	6.3	173	1.2
Parks & Recreation	3,885	1.7	(524)	(11.9)
Capital Outlay	612	.3	(29)	(4.5)
Principal Retirement	1,336	.6	(487)	(26.7)
Interest & Fiscal Charges	969	.4	(356)	(26.9)
Other Financing Uses and Transfers Out	34,989	15.6	(283)	(0.8)
Total	\$223,860	100.0	\$951	0.4

The decrease in General Government is due to reduced costs in personal services, supplies and professional services. The increase in Public Safety relates to increased costs in personal services, supplies and professional services. The decrease in Parks relates to decrease in personal services. The decrease in Principal Retirement is due to the reduction of costs associated with Improvement Debt paid from CIP Funds.

General Fund Equity: Total fund equity in the general fund amounts to \$9,300 of which \$724 is reserved for encumbrances, \$898 is reserved for inventories, \$315 reserved for subsequent years activity and \$63 is reserved for prepaids, and \$2,710 is reserved for landfill remediation.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. In 2004, the City utilized \$4.2 million of the \$8.8 million balance in that Designation to cover certain unexpected shortfalls and expenditures. As a result, the Designation decreased to \$4.6 million at December 31, 2004. The City does not expect to utilize moneys in the Budget Stabilization Designation for expenditures in 2005, 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, 2004, amounts to \$856 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 2004 was 9 percent (a 2 percent increase for governmental activities and a 7 percent increase for business-type activities).

Table 5:

City of Toledo						
Capital Assets, net of depreciation.						
(amounts expressed in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$24,781	\$24,781	\$10,458	\$10,637	\$35,239	\$35,418
Buildings	16,816	19,345	28,087	31,180	44,903	50,525
Improvements other than buildings	30,345	28,446	28,210	30,925	58,555	59,371
Machinery and equipment	23,063	22,835	43,427	47,139	66,490	69,974
Infrastructure	316,509	305,226	208,181	176,991	524,690	482,217
Construction in progress	-	-	112,478	105,780	112,478	105,780
Total	\$411,514	\$400,633	\$430,841	\$402,652	\$842,355	\$803,285

Governmental activities capital assets are exclusive of Internal Service Fund capital assets of \$13 million (net of accumulated depreciation) as of December 31, 2004. The Internal Service Fund capital assets are, however, included as governmental activities in the statement of net assets.

Major capital asset events during 2004 included the following:

- Total capital assets, net of accumulated depreciation, increased \$38 million.
- Business-type activity capital assets increased by \$28 million.
- Governmental activity capital assets increased by \$10 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, 2004, the City, the primary government, had \$458 million of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$128 million and \$11 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	
	2004	2003	2004	2003	2004	2003
General obligation bonds and notes	\$113,119	\$114,306	\$25,708	\$26,673	\$138,827	\$140,979
Revenue bonds and notes	35,600	31,500	113,074	119,430	148,674	150,930
Total	\$148,719	\$145,806	\$138,782	\$146,103	\$287,501	\$291,909

Total long-term bonds and loans outstanding at December 31, 2004 increased over December 31, 2003 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, 2004 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 \$116,257 and a legal debt margin for unvoted debt of \$337,419. 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 of Toledo's elected and appointed officials considered many factors when setting the fiscal 2005 budget. While the national economy is slowly improving, Toledo's economy is rebounding slowly. Our income tax revenues, which are the largest source of revenue for our General Fund, are growing at a slower rate than the economy. With the uncertainty surrounding the economy, the City has concentrated its efforts on job creation to increase income tax revenues and controlling cost.

The City is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote long-term fiscal stability and maintain budget reserves. Increasing productivity and reducing personnel costs will provide the most benefit to the current year budget and future budgets. In addition, the City will continue its investment in job creation in order to continue to grow our economy. The total General Fund budget for 2005 is \$225 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, 2004
(AMOUNTS IN THOUSANDS)

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Equity in Pooled Cash	\$ 37,495	\$ 18,570	\$ 56,065
Other Cash	36	100	136
Investments	36,068	116,169	152,237
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	34,918	---	34,918
Accounts	6,805	15,874	22,679
Special Assessments	47,410	---	47,410
Notes	---	19,140	19,140
Interfund Receivable	17,602	66,404	84,006
Due from Other Governments	---	440	440
Prepays	275	226	501
Inventory of Supplies	5,060	2,750	7,810
Capital Assets Not Being Depreciated	25,131	122,936	148,067
Capital Assets Being Depreciated (Net)	399,800	307,905	707,705
Deferred Debt Issuance Cost	334	2,993	3,327
	<hr/>	<hr/>	<hr/>
Total Assets and Other Debits	<u>\$ 610,934</u>	<u>\$ 673,507</u>	<u>\$1,284,441</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

Primary Government

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts Payable	\$ 7,449	\$ 6,000	\$ 13,449
Escrow	17,262	13,801	31,063
Retainages	688	2,261	2,949
Interfund Payable	---	84,006	84,006
Due to Other Governments	50	---	50
Other Current Liabilities	17,152	1,795	18,947
Other Debt:			
Due within One Year	44,153	11,736	55,889
Due in More Than One Year	<u>221,359</u>	<u>189,846</u>	<u>411,205</u>
 Total Liabilities	 308,113	 309,445	 617,558
 NET ASSETS			
Invested in capital assets, net of related debt	243,683	229,170	472,853
Restricted for:			
Expendable Funds:			
Special Assessments	4,195	---	4,195
Debt Service	---	8,399	8,399
Replacement	---	62,333	62,333
Capital Improvements	41,151	72,424	113,575
Special Revenue	13,084	---	13,084
Non-Expendable Funds:			
Permanent Fund	708	---	708
Unrestricted	<u>---</u>	<u>(8,264)</u>	<u>(8,264)</u>
 Total Net Assets	 <u>\$ 302,821</u>	 <u>\$ 364,062</u>	 <u>\$ 666,883</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, 2004
(AMOUNTS IN THOUSANDS)**

Functions/Programs Primary Government:	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 26,721	\$ 23,982	\$ 35,659	\$ 189	\$ 33,109	\$ ---	\$ 33,109
Public Service	48,204	130	---	74	(48,000)	---	(48,000)
Public Safety	151,217	8,460	2,830	---	(139,927)	---	(139,927)
Public Utilities	808	---	---	---	(808)	---	(808)
Community Environment	17,918	5,267	11,791	11,973	11,113	---	11,113
Health	17,030	1,175	1,324	---	(14,531)	---	(14,531)
Parks and Recreation	7,765	474	---	---	(7,291)	---	(7,291)
Interest and Fiscal Charges	9,408	---	---	---	(9,408)	---	(9,408)
Total Governmental Activities	<u>\$ 279,071</u>	<u>\$ 39,488</u>	<u>\$ 51,604</u>	<u>\$ 12,236</u>	<u>\$ (175,743)</u>	<u>\$ ---</u>	<u>\$ (175,743)</u>
Business-Type Activities:							
Water	30,356	34,258	---	---	---	3,902	3,902
Sewer	38,334	39,919	---	---	---	1,585	1,585
Storm Utility	6,122	7,710	---	---	---	1,588	1,588
Utilities Administration	7,922	7,829	---	---	---	(93)	(93)
Parking	1,154	1,382	---	---	---	228	228
Property Management	2,596	277	---	---	---	(2,319)	(2,319)
Small Business Development	43	77	---	---	---	34	34
Total Business-Type Activities	<u>86,527</u>	<u>91,452</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>4,925</u>	<u>4,925</u>
Total Primary Government	<u>\$ 365,598</u>	<u>\$ 130,940</u>	<u>\$ 51,604</u>	<u>\$ 12,236</u>	<u>\$ (175,743)</u>	<u>\$ 4,925</u>	<u>\$ (170,818)</u>
General Revenues:							
Income Taxes					155,243	---	155,243
Property Taxes					21,444	---	21,444
Unrestricted Investments Earnings					2,570	2,248	4,818
Gain on Sale of Capital Assets and Other Revenue					2,702	1,102	3,804
Transfers					462	(462)	---
Total General Revenues, Special Items and Transfers					<u>182,421</u>	<u>2,888</u>	<u>185,309</u>
Changes in Net Assets					6,678	7,813	14,491
Net Assets-Beginning					296,143	356,249	652,392
Net Assets-Ending					<u>\$ 302,821</u>	<u>\$ 364,062</u>	<u>\$ 666,883</u>

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**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
ASSETS			
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---
Other Cash	35	---	---
Investments	2,973	20,925	5,893
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	34,918	---	---
Accounts	1,704	2,156	20
Special Assessments	---	---	45,230
Notes	---	---	---
Interfund Receivable	12,230	26,088	1,015
Prepays	63	181	---
Inventory of Supplies	898	1,101	1,642
Total Assets	<u>\$ 52,821</u>	<u>\$ 50,451</u>	<u>\$ 53,800</u>
LIABILITIES			
Accounts Payable	738	3,703	592
Escrow	12,280	1,138	1,015
Retainages	---	670	---
Interfund Payable	11,218	---	10,630
Due to Other Governments	---	---	49
Deferred Revenue	17,488	---	45,230
Other Current Liabilities	1,797	---	---
Debt:			
Notes Payable	---	1,925	35,600
Total Liabilities	<u>\$ 43,521</u>	<u>\$ 7,436</u>	<u>\$ 93,116</u>
FUND BALANCES			
Fund Balances (Deficit):			
Reserved for Encumbrances	724	47,998	802
Reserved for Inventory of Supplies	898	1,101	1,642
Reserved for Capital Improvements	---	15,002	---
Reserved for Debt Service	---	---	---
Reserved for Prepays	63	181	---
Reserved for Landfill Remediation	2,710	---	---
Unreserved, Reported In:			
General Fund-Designated for Future Years' Expenditures	315	---	---
General Fund-Designated for Budget Stabilization	4,590	---	---
Designated for Future Years' Expenditures	---	---	---
Capital Projects Funds	---	(21,267)	---
Special Revenue Funds	---	---	(41,760)
Permanent Funds	---	---	---
Total Fund Balances	<u>9,300</u>	<u>43,015</u>	<u>(39,316)</u>
Total Liabilities and Fund Balance	<u>\$ 52,821</u>	<u>\$ 50,451</u>	<u>\$ 53,800</u>

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

**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Equity in Pooled Cash	\$ 12,828	\$ 12,828
Other Cash	1	36
Investments	3,559	33,350
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	---	34,918
Accounts	2,871	6,751
Special Assessments	2,180	47,410
Notes	---	---
Interfund Receivable	1,065	40,398
Prepays	31	275
Inventory of Supplies	648	4,289
Total Assets	<u>\$ 23,183</u>	<u>\$ 180,255</u>
LIABILITIES		
Accounts Payable	1,283	6,316
Escrow	1,461	15,894
Retainages	18	688
Interfund Payable	954	22,802
Due to Other Governments	1	50
Deferred Revenue	2,180	64,898
Other Current Liabilities	3	1,800
Debt:		
Notes Payable	1,787	39,312
Total Liabilities	<u>\$ 7,687</u>	<u>\$ 151,760</u>
FUND BALANCES		
Fund Balances (Deficit):		
Reserved for Encumbrances	7,183	56,707
Reserved for Inventory of Supplies	648	4,289
Reserved for Capital Improvements	---	15,002
Reserved for Debt Service	38	38
Reserved for Prepays	31	275
Reserved for Landfill Remediation	---	2,710
Unreserved, Reported In:		
General Fund-Designated for Future Years' Expenditures	---	315
General Fund-Designation for Budget Stabilization	---	4,590
Designated for Future Years' Expenditures	216	216
Capital Projects Funds	(1,753)	(23,020)
Special Revenue Funds	8,425	(33,335)
Permanent Funds	708	708
Total Fund Balances	<u>15,496</u>	<u>28,495</u>
Total Liabilities and Fund Balance	<u>\$ 23,183</u>	<u>\$ 180,255</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, 2004
(AMOUNTS IN THOUSANDS)

Total governmental fund balances	\$	28,495
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.		411,514
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.		17,844
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.		334
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.		(220,264)
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>64,898</u>
Net assets of government activities	\$	<u>302,821</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, 2004
(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	\$ 155,243	\$ ---	\$ ---	\$ ---	\$ 155,243
Property Taxes	17,206	---	---	---	17,206
Special Assessments	---	---	16,918	517	17,435
Licenses and Permits	2,449	103	---	15	2,567
Intergovernmental Services	23,114	12,236	---	28,490	63,840
Charges for Services	12,914	101	249	824	14,088
Investment Earnings	1,117	998	153	302	2,570
Fines and Forfeitures	4,659	---	---	622	5,281
All Other Revenue	<u>894</u>	<u>374</u>	<u>4</u>	<u>1,501</u>	<u>2,773</u>
Total Revenues	\$ 217,596	\$ 13,812	\$ 17,324	\$ 32,271	\$ 281,003
EXPENDITURES:					
Current:					
General Government	\$ 17,817	\$ ---	\$ 72	\$ 190	\$ 18,079
Public Service	1,537	---	19,535	9,858	30,930
Public Safety	143,606	---	---	2,930	146,536
Public Utilities	20	---	---	754	774
Community Environment	5,026	---	---	11,443	16,469
Health	14,063	---	649	1,248	15,960
Parks & Recreation	3,885	---	148	309	4,342
Capital Outlay	612	38,922	75	2,554	42,163
Debt Service:					
Principal Retirement	1,336	3,481	43	10,396	15,256
Interest & Fiscal Charges	<u>969</u>	<u>2,592</u>	<u>1,070</u>	<u>4,240</u>	<u>8,871</u>
Total Expenditures	\$ 188,871	\$ 44,995	\$ 21,592	\$ 43,922	\$ 299,380
Excess (Deficiency) of					
Revenues over Expenditures	<u>28,725</u>	<u>(31,183)</u>	<u>(4,268)</u>	<u>(11,651)</u>	<u>(18,377)</u>
Other Financing Sources (Uses):					
Transfers In	2,035	35,562	---	15,976	53,573
Transfers (Out)	(34,989)	(14,100)	---	(4,197)	(53,286)
Bond Proceeds	---	8,000	---	---	8,000
Premiums on Bonds	---	113	---	16	129
Note Proceeds	---	52	---	---	52
Sale of Capital Assets	<u>15</u>	<u>4</u>	<u>---</u>	<u>27</u>	<u>46</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>\$ (32,939)</u>	<u>\$ 29,631</u>	<u>\$ ---</u>	<u>11,822</u>	<u>\$ 8,514</u>
Net Change in Fund Balance	(4,214)	(1,552)	(4,268)	171	(9,863)
Fund Balances (Deficit) at					
Beginning of Year	13,420	44,472	(35,461)	15,694	38,125
Increase in Reserve for Inventory	<u>94</u>	<u>95</u>	<u>413</u>	<u>(369)</u>	<u>233</u>
Fund Balance (Deficit) at Year-End	<u>\$ 9,300</u>	<u>\$ 43,015</u>	<u>\$ (39,316)</u>	<u>\$ 15,496</u>	<u>\$ 28,495</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, 2004
(AMOUNTS IN THOUSANDS)

Net change in fund balances – total governmental funds \$ (9,863)

Change in Inventory 233

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 (\$42,163) exceeded depreciation (\$31,283) in the current period. 10,880

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,238

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. 1,940

The net loss of certain activities of internal service funds is reported with governmental activities. (750)

Change in net assets of governmental activities. \$ 6,678

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, 2004
 (AMOUNTS IN THOUSANDS)**

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	\$ 10,956	\$ 7,305	\$ 309	\$ 18,570	\$ 24,666
Other Cash	47	52	1	100	---
Investments	65,601	32,856	17,712	116,169	2,718
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	5,877	8,013	1,984	15,874	54
Notes	---	---	19,140	19,140	---
Interfund Receivables	39,983	16,120	10,301	66,404	1,367
Due from Other Governments	33	246	161	440	---
Prepaid Expenses	53	64	109	226	---
Inventory of Supplies	2,108	620	22	2,750	771
Deferred Debt Issuance Cost	<u>2,316</u>	<u>677</u>	<u>---</u>	<u>2,993</u>	<u>---</u>
Total Current Assets	<u>126,974</u>	<u>65,953</u>	<u>49,739</u>	<u>242,666</u>	<u>29,576</u>
Property, Plant and Equipment					
Land	1,762	163	8,533	10,458	350
Buildings	13,829	32,747	28,850	75,426	1,111
Improvements	11,220	51,504	6,098	68,822	335
Machinery and Equipment	22,748	78,311	1,337	102,396	53,998
Furniture and Fixtures	405	948	617	1,970	99
Distribution System	123,158	249,839	---	372,997	---
Construction in Progress	34,509	70,226	7,743	112,478	---
Less: Accumulated Depreciation	<u>(79,657)</u>	<u>(220,652)</u>	<u>(13,397)</u>	<u>(313,706)</u>	<u>(42,475)</u>
Net Property, Plant, and Equipment	<u>127,974</u>	<u>263,086</u>	<u>39,781</u>	<u>430,841</u>	<u>13,418</u>
Total Assets	<u>\$ 254,948</u>	<u>\$329,039</u>	<u>\$ 89,520</u>	<u>\$673,507</u>	<u>\$ 42,994</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, 2004
 (AMOUNTS IN THOUSANDS)**

	<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	\$ 2,758	\$ 3,076	\$ 166	\$ 6,000	\$ 1,133
Escrow	6,390	7,389	22	13,801	1,367
Retainages	312	1,939	10	2,261	—
Interfund Payable	49,842	16,630	17,534	84,006	1,361
Other Current Liabilities	<u>602</u>	<u>1,146</u>	<u>47</u>	<u>1,795</u>	<u>15,352</u>
Total Current Liabilities	<u>\$ 59,904</u>	<u>\$30,180</u>	<u>\$17,779</u>	<u>\$107,863</u>	<u>\$ 19,213</u>
Debt:					
Current Portion	3,546	9,349	1,358	14,253	5,937
Notes Payable	370	48,311	9,005	57,686	—
General Obligation Bonds Payable	—	—	26,323	26,323	—
Revenue Bonds Payable	62,472	37,758	—	100,230	—
Capital Lease Obligation	<u>—</u>	<u>—</u>	<u>3,090</u>	<u>3,090</u>	<u>—</u>
Total Long-Term Liabilities	<u>66,388</u>	<u>95,418</u>	<u>39,776</u>	<u>201,582</u>	<u>5,937</u>
Total Liabilities	<u>126,292</u>	<u>125,598</u>	<u>57,555</u>	<u>309,445</u>	<u>25,150</u>
NET ASSETS					
Invested in Capital Assets net of related debt:	61,586	167,668	(84)	229,170	7,480
Restricted Net Assets For:					
Debt Service	5,072	3,239	88	8,399	—
Replacement	42,002	16,899	3,432	62,333	2,000
Improvement	42,837	15,700	13,887	72,424	—
Unrestricted	<u>(22,841)</u>	<u>(65)</u>	<u>14,642</u>	<u>(8,264)</u>	<u>8,364</u>
Total Net Assets	<u>\$128,656</u>	<u>\$203,441</u>	<u>\$31,965</u>	<u>\$ 364,062</u>	<u>\$ 17,844</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, 2004
 (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	\$ 33,714	\$ 39,512	\$ 16,553	\$ 89,779	\$ 20,390
Other Revenue	<u>544</u>	<u>407</u>	<u>721</u>	<u>1,672</u>	<u>223</u>
Total Operating Revenues	<u>34,258</u>	<u>39,919</u>	<u>17,274</u>	<u>91,451</u>	<u>20,613</u>
Operating Expenses:					
Personal Services	9,981	12,597	8,717	31,295	5,152
Contractual Services	7,747	8,244	3,778	19,769	8,474
Materials and Supplies	3,497	1,901	749	6,147	4,623
Utilities	2,360	2,423	103	4,886	69
Depreciation and Amortization	<u>3,494</u>	<u>9,175</u>	<u>1,159</u>	<u>13,828</u>	<u>3,335</u>
Total Operating Expenses	<u>27,079</u>	<u>34,340</u>	<u>14,506</u>	<u>75,925</u>	<u>21,653</u>
Operating Income (Loss)	<u>7,179</u>	<u>5,579</u>	<u>2,768</u>	<u>15,526</u>	<u>(1,040)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	1,043	537	668	2,248	25
Interest Expense and Fiscal Charges	(3,277)	(3,994)	(2,409)	(9,680)	(90)
Other Revenue (Expenses)	<u>105</u>	<u>665</u>	<u>(590)</u>	<u>180</u>	<u>180</u>
Total Non-Operating Revenues (Expenses)	<u>(2,129)</u>	<u>(2,792)</u>	<u>(2,331)</u>	<u>(7,252)</u>	<u>115</u>
Income (Loss) before Transfers	5,050	2,787	437	8,274	(925)
Transfers In	---	---	922	922	2,421
Transfers (Out)	<u>(13)</u>	<u>(16)</u>	<u>(1,354)</u>	<u>(1,383)</u>	<u>(2,246)</u>
Total Transfers In (Out)	<u>(13)</u>	<u>(16)</u>	<u>(432)</u>	<u>(461)</u>	<u>175</u>
Change in Net Assets	5,037	2,771	5	7,813	(750)
Net Assets at Beginning of Year	<u>123,619</u>	<u>200,670</u>	<u>31,960</u>	<u>356,249</u>	<u>18,594</u>
Net Assets at End of Year	<u>\$ 128,656</u>	<u>\$ 203,441</u>	<u>\$ 31,965</u>	<u>\$ 364,062</u>	<u>\$ 17,844</u>

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 Cash Flows
For the Year Ended December 31, 2004
(Amounts in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity			
Receipts from Customers	\$42,262	\$ 41,823	\$ 21,886
Payments to Suppliers	(14,157)	(15,222)	(16,751)
Payments to Employees	(9,981)	(12,597)	(8,716)
Net Cash Provided by (Used for) Operating Activity	<u>18,124</u>	<u>14,004</u>	<u>(3,581)</u>
Cash Flows from Noncapital Financing Activities			
Operating Transfers In	—	—	921
Operating Transfers Out	(13)	(16)	(1,354)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(13)</u>	<u>(16)</u>	<u>(433)</u>
Cash Flows from Capital & Related Financing Activities:			
Acquisition and Construction of Capital Assets	(10,080)	(31,053)	(1,066)
Principal Paid on Bond Maturities	(3,568)	(7,596)	(1,438)
Issuance of Revenue Bonds and Notes	—	16,956	1,061
Interest Expense and Fiscal Charges	(3,277)	(3,994)	(2,408)
Proceeds from Sale of Capital Assets/Grants	107	674	(410)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(16,818)</u>	<u>(25,013)</u>	<u>(4,261)</u>
Cash Flows from Investing Activities:			
(Purchase) of Investment Securities	(82,687)	(62,735)	(26,096)
Sale and Maturities of Investment Securities	84,610	71,995	24,843
Investment Earnings and Dividends on Investments	1,043	538	668
Net Cash Provided by (Used for) Investing Activities	<u>2,966</u>	<u>9,798</u>	<u>(585)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,259	(1,227)	(8,860)
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>6,743</u>	<u>8,584</u>	<u>9,170</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 11,002</u>	<u>\$ 7,357</u>	<u>\$ 310</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2004
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity		
Receipts from Customers	\$105,971	\$ 21,018
Payments to Suppliers	(46,130)	(12,564)
Payment to Employees	<u>(31,294)</u>	<u>(5,066)</u>
Net Cash Provided by (Used for) Operating Activity	<u>28,547</u>	<u>3,388</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In	921	2,421
Operating Transfers Out	<u>(1,383)</u>	<u>(2,246)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(462)</u>	<u>175</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(42,199)	(2,430)
Principal Paid on Bond Maturities	(12,602)	(8,317)
Issuance of Revenue Bonds and Notes	18,017	11,345
Interest Expense and Fiscal Charges	(9,679)	(90)
Proceeds from Sale of Capital Assets/Grants	<u>371</u>	<u>180</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(46,092)</u>	<u>688</u>
Cash Flows from Investing Activity:		
(Purchase) of Investment Securities	(171,518)	(561)
Sale and Maturities of Investment Securities	181,448	-
Investment Earnings and Dividends on Investments	<u>2,249</u>	<u>25</u>
Net Cash Provided by (Used for) Investing Activities	<u>12,179</u>	<u>(536)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,828)	3,715
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>24,497</u>	<u>20,951</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 18,669</u>	<u>\$ 24,666</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2004
(Amounts in Thousand)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity:			
Operating Income (Loss)	\$ 7,179	\$ 5,579	\$ 2,768
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	3,494	9,175	1,158
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,286)	426	629
(Increase) Decrease in Prepaid Expenses	72	(16)	(56)
(Increase) Decrease in Interfund Receivable	2,896	6,788	(10,301)
(Increase) Decrease in Due from Other Governments	(253)	(123)	(138)
(Increase) Decrease in Deferred Debt Issuance Costs	113	49	—
(Increase) Decrease in Inventory of Supplies	7	74	17
Increase (Decrease) in Accounts Payable	1,902	1,261	39
Increase (Decrease) in Escrow	274	822	(14)
Increase (Decrease) in Retainage	256	743	5
Increase (Decrease) in Interfund Payable	3,151	(10,577)	2,309
Increase (Decrease) in Other Current Liabilities	<u>319</u>	<u>(197)</u>	<u>3</u>
Total Adjustments	10,945	8,425	(6,349)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 18,124</u>	<u>\$ 14,004</u>	<u>\$ (3,581)</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2004
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:		
Operating Income (Loss)	\$ 15,526	\$ (1,040)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	13,827	3,335
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(231)	2
(Increase) Decrease in Prepaid Expenses	--	--
(Increase) Decrease in Interfund Receivable	(617)	--
(Increase) Decrease in Due from Other Governments	(514)	--
(Increase) Decrease in Deferred Debt Issuance Costs	162	--
(Increase) Decrease in Inventory of Supplies	98	(55)
Increase (Decrease) in Accounts Payable	3,202	437
Increase (Decrease) in Escrow	1,082	--
Increase (Decrease) in Retainage	1,004	--
Increase (Decrease) in Interfund Payable	(5,117)	824
Increase (Decrease) in Other Current Liabilities	<u>125</u>	<u>(115)</u>
Total Adjustments	<u>13,021</u>	<u>4,428</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$28,547</u>	<u>\$ 3,388</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, 2004
(AMOUNTS IN THOUSANDS)

	<u>Total</u>
ASSETS	
Equity in Pooled Cash	\$ 850
Investments	<u>1,280</u>
Total Assets	<u>\$ 2,130</u>
LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts Payable	\$ 35
Escrow	1,300
Other Current Liabilities	<u>795</u>
Total Liabilities	<u>\$ 2,130</u>
Net Assets	<u>\$ ---</u>

NOTES TO THE FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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 purpose 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 as *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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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.

General Agency - which accounts for various licenses, fees and taxes, such restaurant licenses, that the City collects as an agent for the State of Ohio; and

Municipal Court - which accounts 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.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 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 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 "economic resources" 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 economic resources, 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 \$45,230 at December 31, 2004 and will be collected in 2005 and 2006.

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 \$30 in 2004. 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, 2004, the assessments receivable on such assessed improvement projects amounted to \$1,583.

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 \$98 in 2005 to \$16 in 2010. At December 31, 2004, the assessments receivable for bond retirements was \$597.

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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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.

	<u>Transfer In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Non Major Enterprise Funds</u>	<u>Internal Service Funds</u>	
Transfer Out:						
General Fund	\$ --	\$ 34,057	\$ 10	\$ 921	\$ --	\$ 34,988
Capital Improvement Fund	423	--	13,513	--	164	14,100
Special Assessment Fund	--	--	--	--	--	--
Nonmajor						
Governmental Funds	1,392	420	2,374	--	11	4,197
Water Funds	--	--	13	--	--	13
Sewer Funds	--	--	16	--	--	16
Non Major						
Enterprise Funds	220	1,085	50	--	--	1,355
Internal Service Funds	--	--	--	--	2,245	2,245
Total Transfers In:	<u>\$ 2,035</u>	<u>\$ 35,562</u>	<u>\$ 15,976</u>	<u>\$ 921</u>	<u>\$ 2,420</u>	<u>\$ 56,914</u>

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004 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 2002, 2003 and 2004 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>
2002	\$1,024	\$ 736	\$ 566	\$1,194
2003	1,194	1,112	724	1,582
2004	1,582	966	966	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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 \$13,770 reported in the Fund at December 31, 2004 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 1.63 percent.

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2002, 2003 and 2004 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>
2002	\$ 9,416	\$ 3,340	\$ 1,159	\$ 11,597
2003	11,597	3,200	2,027	12,770
2004	12,770	5,151	4,151	13,770

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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 restricted 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 \$220,264 difference are as follows:

General Long Term Debt	\$211,791
Plus Premiums	2,781
Accrued Interest	<u>5,692</u>

Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$220,264</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 \$10,880 difference are as follows:

Capital Outlay	\$42,163
Depreciation Expense	<u>(31,283)</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>\$ 10,880</u>
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CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 difference are as follows:

Debt Issued or Incurred:

Issuance of General Obligation Bonds	\$ (8,000)
Issuance of Loans	(52)
Increase in Landfill Liability	(994)
Plus Premium Amortization	231
Accrued Interest	(866)
Increase in Compensated Absences	(3,603)
Less Debt Issue Costs	(27)

Principal Repayments:

General Obligation Debt	11,869
Other Debt	<u>3,382</u>

Net adjustment to increase *net changes in fund balances-*
Total governmental funds to arrive at changes in net assets
Of governmental activities

\$ 1,940

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 balance sheet as Interfund Payables. These excesses are generally temporary and are repaid from normal Fund operations.

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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	\$ 12,230	\$ (11,218)
Capital Improvements	26,090	---
Special Assessment Services	1,014	(10,630)
Other Governmental Funds	13,893	(954)
Water	50,939	(49,842)
Sewer	23,426	(16,630)
Non-Major Enterprise	10,609	(17,534)
Internal Service	26,032	(1,361)
Trust and Agency	849	---
Total	<u>\$ 165,082</u>	<u>\$ (108,169)</u>
Interfund Payables	<u>(108,169)</u>	
Total pooled cash at December 31, 2004	<u>\$ 56,913</u>	

The total above of \$165,082 is presented in the balance sheet as follows:

	<u>Amount</u>
Equity in Pooled Cash	\$ 56,913
Interfund Receivables	<u>108,169</u>
Total	<u>\$ 165,082</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	\$ (9,752)	\$ 66,665	\$ 56,913
Other Cash	136	---	136
Investments	<u>---</u>	<u>153,517</u>	<u>153,517</u>
Total	<u>\$(9,616)</u>	<u>\$ 220,182</u>	<u>\$210,566</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004, the carrying amount of the City's deposits was \$(9,616) (deficit) and the bank balance was \$10,525. Of the bank balance, \$300 was covered by deposit insurance and \$10,225 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004 consist of the following:

	Risk Category			Carrying Amount	Fair Value
	1	2	3		
Investments:					
City of Toledo Securities	\$ 11,427	\$	\$	\$ 11,427	\$ 11,427
Government Securities:					
Federal Home Loan Mortg Corp.	50,937			50,937	50,937
Federal National Mortg. Assoc.	48,438			48,438	48,438
Federal Home Loan Bank	56,898			56,898	56,898
Federal Farm Credit Bank	31,108	---	---	31,108	31,108
	<u>\$198,808</u>	<u>\$ ---</u>	<u>\$ ---</u>	198,808	198,908
State Treasurer's Investment Pool				14,353	14,353
Certificate of Deposit/Savings	7,020			7,020	7,020
Total	<u>\$205,828</u>			<u>\$220,181</u>	<u>\$ 220,181</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 4. RECEIVABLES

The allowance for uncollectible receivables consists of the following at December 31, 2004:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$3,791	\$ ---
Capital Improvements	116	---
Special Assessment Services	17	---
Other Governmental Funds	1,468	23,027
Water	1,634	---
Sewer	2,046	---
Other Enterprise Funds	238	933
Internal Service Funds	<u>220</u>	<u>---</u>
Total	<u>\$9,530</u>	<u>\$23,960</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 2004, 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, 2004, the City has accrued \$17,431 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, 2004, 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 year. The last revaluation was completed in 2002 for the tax year 2004.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 6. PROPERTY TAX (Continued)

Real property taxes were levied on all non-exempt property located in the County on January 14, 2004. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on January 31, 2004; if paid semi-annually, the first payment was due on February 14, 2004; with the remainder payable on June 30, 2004. Based on this tax calendar, all property taxes which were levied on January 14, 2004 relating to the 2004 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 2004 and the estimated taxes relating to the 2005 budget year (which became a lien on January 1, 2004) are as follows:

<u>Taxes</u>	<u>Assessed Value</u>	<u>General Fund Tax Rate Per Thousand</u>	<u>Actual 2004 Receipts</u>	<u>Due in 2005</u>
General Fund:				
Real Estate & Public				
Utility Property	\$3,924,421	\$ 4.40	\$14,535	\$14,846
Personal Property	<u>487,172</u>	4.40	<u>2,671</u>	<u>2,642</u>
Total	<u>\$4,411,593</u>		<u>\$17,206</u>	<u>\$17,488</u>

The receivables for estimated taxes related to the 2005 budget year have been offset by a credit to deferred revenue at December 31, 2004 since the taxes are not available for appropriation and use until 2005.

	<u>Apportionment of Total Tax Rate</u>	<u>Tax Rate Per Thousand</u>	<u>Actual 2004 Receipts</u>	<u>Due in 2005</u>
Unvoted Levy - Inside 10 Mil				
Limitation:				
General Fund		\$ 2.50	\$ 9,776	\$ 9,936
Voted Levy - Outside 10 Mil				
Limitation:				
General Fund (Charter Amendment Rate)		<u>1.90</u>	<u>7,430</u>	<u>7,552</u>
Total		<u>\$ 4.40</u>	<u>\$ 17,206</u>	<u>\$ 17,488</u>

Amounts in Thousands

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 6. PROPERTY TAX (Continued)

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, 2004 was \$2,495.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2004 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	<u>\$24,781</u>	---	---	<u>\$24,781</u>
<i>Total Capital assets not being depreciated</i>	<u>24,781</u>	---	---	<u>24,781</u>
<i>Capital assets being depreciated:</i>				
Buildings	61,552	---	---	61,552
Improvements	51,018	4,167	---	55,185
Machinery & Equipment	39,876	2,154	---	42,030
Furniture & Fixtures	6,273	69	---	6,342
Infrastructure	<u>516,512</u>	<u>35,774</u>	---	<u>552,286</u>
<i>Total capital assets being depreciated</i>	<u>\$675,231</u>	<u>\$42,164</u>	\$ ---	<u>\$717,395</u>
<i>Less accumulated depreciation for:</i>				
Buildings	42,207	2,529	---	44,736
Improvements	22,572	2,268	---	24,840
Machinery & Equipment	18,516	1,734	---	20,250
Furniture & Fixtures	4,798	261	---	5,059
Infrastructure	<u>211,286</u>	<u>24,491</u>	---	<u>235,777</u>
<i>Total Accumulated Depreciation</i>	<u>299,379</u>	<u>31,283</u>	---	<u>330,662</u>
<i>Total net capital assets being depreciated</i>	<u>375,852</u>	<u>10,881</u>	---	<u>386,733</u>
<i>Net Governmental Activities capital assets</i>	<u>\$400,633</u>	<u>\$10,881</u>	\$ ---	<u>\$411,514</u>
Internal Service Funds				
<i>Capital assets not being depreciated:</i>				
Land	<u>350</u>	---	---	<u>350</u>
<i>Total Capital assets not being depreciated</i>	<u>350</u>	---	---	<u>350</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	53,987	2,430	2,419	53,998
Furniture & Fixtures	<u>98</u>	---	---	<u>98</u>
<i>Total capital assets being depreciated</i>	<u>\$55,531</u>	<u>\$2,430</u>	<u>\$2,419</u>	<u>\$55,542</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	40,017	3,333	2,419	40,931
Furniture & Fixtures	<u>98</u>	---	---	<u>98</u>
<i>Total Accumulated Depreciation</i>	<u>41,561</u>	<u>3,333</u>	<u>2,419</u>	<u>42,475</u>
<i>Total net capital assets being depreciated</i>	<u>13,970</u>	<u>(903)</u>	---	<u>13,067</u>
<i>Net Internal Service Fund capital assets</i>	<u>\$ 14,320</u>	<u>(\$903)</u>	\$ ---	<u>\$13,417</u>
<i>Total Governmental Activities</i>	<u>\$414,953</u>	<u>\$ 9,978</u>	\$ ---	<u>\$424,931</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2004 is as follows:

Business Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,637	\$ ---	\$ 179	\$ 10,458
Construction in Progress	<u>105,780</u>	<u>6,698</u>	<u>---</u>	<u>112,478</u>
<i>Total Capital assets not being depreciated</i>	<u>\$116,417</u>	<u>\$ 6,698</u>	<u>\$ 179</u>	<u>\$ 122,936</u>
<i>Capital assets being depreciated:</i>				
Buildings	75,425	---	---	75,425
Improvements	68,719	130	---	68,822
Machinery & Equipment	101,830	566	---	102,396
Furniture & Fixtures	1,971	---	---	1,971
Distribution System	<u>338,165</u>	<u>34,832</u>	<u>---</u>	<u>372,997</u>
<i>Total capital assets being depreciated</i>	<u>\$ 586,110</u>	<u>\$ 35,501</u>	<u>\$ ---</u>	<u>\$ 621,611</u>
<i>Less accumulated depreciation for:</i>				
Buildings	44,245	3,093	---	47,338
Improvements	37,794	2,818	---	40,612
Machinery & Equipment	55,579	4,198	---	59,777
Furniture & Fixtures	1,083	80	---	1,163
Distribution System	<u>161,174</u>	<u>3,642</u>	<u>---</u>	<u>164,816</u>
<i>Total Accumulated Depreciation</i>	<u>299,875</u>	<u>13,831</u>	<u>---</u>	<u>313,706</u>
<i>Total Net Capital Assets being depreciated</i>	<u>286,235</u>	<u>21,670</u>	<u>---</u>	<u>307,905</u>
<i>Net Business Type Activities Capital Assets</i>	<u>\$ 402,652</u>	<u>\$ 28,368</u>	<u>\$ 179</u>	<u>\$ 430,841</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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	\$ 8,308
Public Service	17,125
Public Safety	472
Public Utility	11
Community Environment	1,225
Health	782
Parks	<u>3,359</u>
Total Depreciation Expense - Governmental Activities	\$ <u>31,282</u>
Business-Type Activities:	
Water	\$ 3,494
Sewer	9,175
Non-Major	<u>1,162</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>13,831</u>
Internal Service Funds	<u>3,333</u>
Total Depreciation Expense	<u>\$48,446</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, 2004, the Department owned approximately 323 parcels at an estimated historical cost of \$6,839. 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS

A. Obligation Summary by Type

	<u>Balance at Beginning of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance at End of Year</u>	<u>Due Within One Year</u>
Bonds Outstanding:					
General Obligation	\$ 132,424	8,000	12,882	127,542	13,570
Revenue Obligations	119,430	--	6,356	113,074	6,754
Notes Outstanding:					
General Obligation	8,555	21,045	18,315	11,285	11,285
Revenue Obligations	31,500	23,600	19,500	35,600	17,800
Loans Outstanding:					
State Agencies	58,695	15,737	3,578	70,854	3,498
Federal Agencies	22,145	--	1,015	21,130	1,055
Other	2,809	52	246	2,615	565
Capital Leases	16,483	--	1,365	15,118	1,362
Other Obligations	56,806	4,597	--	61,403	1,320
TOTAL OBLIGATIONS	\$ 448,847	73,031	63,257	458,621	57,209

Note: General Obligation Debt Capacity per Uniform Bond Act of the ORC = \$101,000
Utility Debt Unamortized Discount = \$1,125
Assessed Services Revenue Notes are Secured by a Letter of Credit from State Street Bank

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type

Changes in bonds payable and general long term obligations during 2004 and principal amounts outstanding at December 31, 2004 are as follows:

	<u>Balance at Beginning Of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance At End Of Year</u>	<u>Due Within One Year</u>
Governmental Type					
Accrued Compensated Absences	\$ 36,295	3,603	--	39,898	1,320
Landfill Closure	20,511	994	--	21,505	--
Capital Leases	5,768	--	893	4,875	891
Assessed Services	31,500	23,600	19,500	35,600	17,800
General Fund Capital Projects - Loans	8,901	--	365	8,536	382
Police & Fire Pension - G.O. Bonds	12,325	--	925	11,400	925
Assessed Improvements - G.O. Bonds	518	--	112	406	80
Capital Projects - G. O. Bonds	92,810	8,000	10,832	89,978	11,489
Capital Projects - G. O. Notes	4,385	7,420	7,595	4,210	4,210
Capital Projects - Loans	36,763	52	2,116	34,699	2,440
Subtotal	\$ 249,776	\$ 43,669	42,338	251,107	39,537
Internal Service Funds					
General Obligation Bonds	3	--	2	1	1
General Obligation Notes	2,905	11,345	8,315	5,935	5,935
Subtotal	2,908	11,345	8,317	5,936	5,936
Business Type					
Water Revenue Bonds	\$ 69,507	--	3,517	65,990	4,360
Sanitary Sewer Revenue Bonds	49,923	--	2,839	47,084	2,394
Parking (General Obligation)	2,070	--	565	1,505	570
Housing (General Obligation)	24,603	--	400	24,203	456
Capital Projects - G.O. Notes	1,360	2,280	2,451	1,189	1,189
Capital Projects - Loans	36,485	15,737	2,358	49,864	2,296
Capital Lease	10,715	--	472	10,243	471
Property Management ODOD 166	1,500	--	--	1,500	--
Subtotal	196,163	18,017	12,602	201,578	11,736
Total Obligations	\$ 448,847	\$ 73,031	\$ 63,257	\$ 458,621	\$ 57,209
Premiums	\$ 3,014	--	233	2,781	--
Accrued Interest	4,826	866	--	5,692	--
Total Debt	\$ 456,687	\$ 73,897	\$ 63,490	\$ 467,094	\$ 57,209

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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.

Changes in short-term notes payable during 2004 were as follows:

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Balance at beginning of year	\$ 31,500	\$ 4,385	\$ 36,485	\$ 2,908	\$ 75,278
Issuances	23,600	7,420	15,737	11,345	58,102
Retirements	<u>(19,500)</u>	<u>(7,595)</u>	<u>(2,358)</u>	<u>(8,317)</u>	<u>(37,770)</u>
Balance at the end of year	<u>\$ 35,600</u>	<u>\$ 4,210</u>	<u>\$ 49,864</u>	<u>\$ 5,936</u>	<u>\$ 95,610</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose

Bonds Outstanding:	Interest Rates	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
General Obligation						
Capital Projects	1.50-7.625%	\$ 92,810	8,000	10,832	89,978	11,489
Special Assessments	1.55-7.625%	518	-	112	406	80
Internal Service Funds	4.90%	3	-	2	1	1
Pension	7.50%	12,325	-	925	11,400	925
Housing	4.85-7.86%	24,603	-	400	24,203	456
Parking	6.75-7.37%	2,070	-	565	1,505	570
Water/Sewer Systems	4.90%	95	-	46	49	49
Revenue Obligations						
Water System	3.50-6.45%	69,507	-	3,517	65,990	4,360
Sanitary Sewer System	3.50-6.45%	49,923	-	2,839	47,084	2,394
Tax Increment		-	-	-	-	-
Notes Outstanding:						
General Obligation						
Special Assessments	3.00%	1,585	3,570	3,370	1,785	1,785
Capital Projects	3.00%	2,800	3,850	4,225	2,425	2,425
Storm Water System	3.00%	1,265	2,280	2,405	1,140	1,140
Internal Service Funds	3.00%	2,905	11,345	8,315	5,935	5,935
Revenue Obligations						
Assessed Services 2002	1.87%	15,000	-	15,000	-	-
Assessed Services 2003	Var./2.29%	16,500	1,300	-	17,800	17,800
Assessed Services 2004	Var.	-	22,300	4,500	17,800	-
Loans Outstanding:						
State Agencies						
State Issue 2						
Capital Projects	0.00%	2,739	-	398	2,341	345
Water System	0.00%	397	-	28	369	28
Sanitary Sewer Sys.	0.00%	511	550	96	965	128
Storm Water System	0.00%	-	1,219	34	1,185	68
Ohio Water Dev Auth.						
Capital Projects	4.02-4.12%	8,901	-	365	8,536	382
Sanitary Sewer Sys.	3.75-9.88%	35,577	13,968	2,200	47,345	2,072
ODOD Chapter 166						
Capital Projects	4.25%	9,070	-	457	8,613	475
Property Mgmt.		1,500	-	-	1,500	-
Federal Agencies						
HUD 108						
Capital Projects	6.56-7.96%	21,355	-	940	20,415	975
Block Grant		790	-	75	715	80
Other Loans						
Capital Projects	0.00-7.86%	2,809	52	246	2,615	565
Property Mgmt.		-	-	-	-	-
Capital Leases:						
Capital Projects		5,768	-	893	4,875	891
Parking		7,368	-	215	7,153	210
Utilities Admin. Svc.		3,347	-	257	3,090	261
Other Obligations:						
Landfill Closure		20,511	994	-	21,505	-
Compensated Absences		36,295	3,603	-	39,898	1,320
Total Obligations		\$ 448,847	73,031	63,257	458,621	57,209

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004 are as follows:

	Water		Sewer	
	Revenue Bonds		Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 4,360	\$ 2,270	\$ 2,394	\$ 2,397
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	4,155	2,416	2,975	1,812
2010-2014	22,530	9,058	12,895	7,082
2015-2019	15,845	3,345	10,505	3,888
2020-2024	3,910	1,403	5,570	2,018
2025-2029	3,425	439	4,520	571
2030-2034	--	--	--	--
Total	<u>\$65,990</u>	<u>\$27,108</u>	<u>\$47,084</u>	<u>\$23,893</u>

	Parking		Capital Projects	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 570	\$ 110	\$ 11,489	\$ 3,620
2006	550	68	10,885	3,121
2007	85	27	9,975	3,209
2008	95	21	10,010	2,878
2009	100	15	9,056	3,585
2010-2014	105	7	28,928	13,169
2015-2019	--	--	9,635	910
2020-2024	--	--	--	--
2025-2029	--	--	--	--
2030-2034	--	--	--	--
Total	<u>\$1,505</u>	<u>\$ 248</u>	<u>\$ 89,978</u>	<u>\$30,492</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	P&F Pension GO Bonds			
	<u>Principal</u>	<u>Interest</u>		
2005	\$ 950	\$ 837		
2006	1,000	765		
2007	1,025	690		
2008	1,075	612		
2009	1,100	531		
2010-2014	6,250	1,327		
2015-2019	--	--		
2020-2024	--	--		
2025-2029	--	--		
2030-2034	--	--		
Total	<u>\$11,400</u>	<u>\$ 4,762</u>		

	Internal Service		Housing	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 1	\$ --	\$ 456	\$ 1,493
2006	--	--	506	1,467
2007	--	--	575	1,436
2008	--	--	641	1,402
2009	--	--	570	1,363
2010-2014	--	--	3,790	6,192
2015-2019	--	--	6,035	4,673
2020-2024	--	--	7,300	2,586
2025-2029	--	--	4,330	532
2030-2034	--	--	--	--
Total	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 24,203</u>	<u>\$ 21,144</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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>
2005	\$ 567	\$ ---	\$ 2,072	1,460
2006	530	---	2,298	2,236
2007	384	---	2,849	1,691
2008	344	---	2,970	1,603
2009	306	---	3,147	1,433
2010-2014	1,313	---	13,244	5,337
2015-2019	813	---	13,049	2,681
2020-2024	453	---	7,063	641
2025-2029	121	---	653	11
2030-2034	29	---	---	---
Total	<u>\$4,860</u>	<u>\$ ---</u>	<u>\$ 47,345</u>	<u>\$ 17,093</u>

	OWDA General Fund		ODOD - 166	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 382	\$ 345	\$ 475	\$ 360
2006	396	330	536	360
2007	412	314	642	374
2008	429	297	668	347
2009	447	279	695	318
2010-2014	2,528	1,101	3,923	1,112
2015-2019	3,097	533	3,174	257
2020-2024	845	32	---	---
2025-2029	---	---	---	---
2030-2034	---	---	---	---
Total	<u>\$8,536</u>	<u>\$3,231</u>	<u>\$ 10,113</u>	<u>\$ 3,128</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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>
2005	\$ 1,055	\$ 1,604	\$ 565	\$ 14
2006	1,120	1,528	568	3
2007	1,185	1,449	217	--
2008	1,250	1,363	217	--
2009	1,350	1,273	217	--
2010-2014	7,500	4,783	831	--
2015-2019	7,670	1,567	--	--
2020-2024	--	--	--	--
2025-2029	--	--	--	--
2030-2034	--	--	--	--
Total	<u>\$21,130</u>	<u>\$13,567</u>	<u>\$ 2,615</u>	<u>\$ 17</u>

	G.O. Storm	G.O. Assessed	G. O. Internal	Revenue
	<u>Principal</u>	<u>Principal</u>	<u>Service</u>	<u>Obligations</u>
			<u>Principal</u>	<u>Principal</u>
2005	\$ 1,140	\$ 1,785	\$ 2,425	\$ 5,935
2006	--	--	--	--
2007	--	--	--	--
2008	--	--	--	--
2009	--	--	--	--
2010-2014	--	--	--	--
2015-2019	--	--	--	--
2020-2024	--	--	--	--
2025-2029	--	--	--	--
2030-2034	--	--	--	--
Total	<u>\$ 1,140</u>	<u>\$ 1,785</u>	<u>\$ 2,425</u>	<u>\$ 5,935</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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>
2005	\$ 80	\$ 17	\$ 17,800
2006	77	14	17,800
2007	77	10	--
2008	77	7	--
2009	35	4	--
2010-2014	60	5	--
2015-2019	--	--	--
2020-2024	--	--	--
2025-2029	--	--	--
2030-2034	--	--	--
Total	<u>\$ 406</u>	<u>\$ 57</u>	<u>\$ 35,600</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 premiums of \$1,125.

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, 2004 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.

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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.

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, 2004 are as follows:

<u>Year</u>	<u>General Long-Term Obligations</u>	<u>Enterprise Funds</u>
2005	\$1,246	\$ 1,231
2006	2,552	1,266
2007	1,433	1,279
2008	---	1,306
2009	---	1,299
2010-2014	---	4,954
2015-2019	---	3,822
2020-2024	---	---
Total Minimum Lease Payments	5,231	15,157
Less Amount Representing Interest	356	4,915
Present Value of Net Minimum Lease Payments	<u>\$ 4,875</u>	<u>\$10,242</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 and the City plans on constructing a new cell in 2005; 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 31 years. The \$21,505 reported as landfill closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of 98% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$504 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 12,230	\$ 11,218
Capital Improvements	26,090	---
Special Assessment Services	1,014	10,630
Other Governmental Funds	1,065	954
Water	39,983	49,842
Sewer	16,120	16,630
Other Enterprise Funds	10,300	17,534
Internal Service Funds	1,367	1,361
Trust and Agency	---	---
Total	<u>\$ 108,169</u>	<u>\$ 108,169</u>

NOTE 10. FUND BALANCE DEFICITS

A. Fund Balance Deficit

At December 31, 2004, the following Funds had a fund balance deficit.

Special Revenue Funds - Special Assessment Services Fund

The fund deficit of \$39,316 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 10. FUND BALANCE DEFICITS (Continued)

A. Fund Balance Deficit (Continued)

Special Revenue Funds – Cemetery Maintenance

The fund deficit of \$46 is due to a drop in investment earnings due to the current economic climate.

Special Revenue Funds – Marina Development

The deficit of \$81 is a result of increased costs of operation. The City will be conducting a study of the fund in the future to determine the best method to return the fund to positive equity balance.

Special Revenue Funds – Toledo Home Program

The fund deficit of \$337 is a result of timing of drawdowns from HUD for current year expenditures.

Capital Projects Fund - Special Assessment Improvements Fund

The fund deficit of \$1,499 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 \$2,207 is due to the disposal of fixed assets at a loss this year.

Internal Service Funds - Storeroom and Printshop Fund

The fund deficit of \$767 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 – Data Processing Fund

The fund deficit of \$19 is due to charges incurred for planning the installation of a new financial system.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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, 2004, 2003, 2002, were \$7,889, \$7,839, \$7,821, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2004, 2003, 2002, were \$7,091, \$7,122, \$6,969, 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 \$5,425 (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, 2003:

- 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, 2003 was 13,662 for police and 10,474 for firemen.
- C. The Fund's total health care expenses for the year ending December 31, 2003 were \$150,853.

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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

The 2004 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, 2004, 2003 and 2002 were \$9,729, \$8,789 and \$9,665, 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 \$3,590 (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, 2003:

- A. Health care funding and accounting is on an actuarially determined basis.
- B. The number of active contributing participants at year-end 2004 was \$369,885.
- C. \$10.5 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2003.
- D. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method were \$26.9 billion and \$16.4 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 2003 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 \$18,765. 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 \$1,545 in 2004.

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 \$2,186 at December 31, 2004.

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 \$2,559 in 2004. Future minimum lease payments on operating leases as of December 31, 2004 is \$1,762.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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 \$35,831 at December 31, 2004, are funded from Environmental Protection Agency grants and Sewer Mortgage Revenue Bond proceeds of the Sewer Fund.

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. In 2004, the City incurred \$20,489 in costs relating to the upgrade. As of December 31, 2004, a total of \$24,195 has been expended to date.

**CITY OF TOLEDO, OHIO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (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, 2004, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed claims, if any, will not result in a material adverse effect on the City's financial position.

NOTE 15. JOINT VENTURE

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

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

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

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

The Corrections Commission has an annual budget of approximately \$14,785 and has accumulated cash reserves of \$443 at December 31, 2004. 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, 2004**

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.

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, 2004
(AMOUNTS IN THOUSANDS)**

Budgeted Amounts

	<u>Original Amount</u>	<u>Final Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive/(Negative)</u>
REVENUES:				
Income Taxes	\$ 162,244	\$ 159,322	\$ 155,243	\$ (4,079)
Property Taxes	17,228	17,228	17,206	(22)
Licenses and Permits	2,282	2,576	2,449	(127)
Intergovernmental Services	23,228	22,849	23,114	265
Charges for Services	12,698	12,735	12,914	179
Investment Earnings	2,250	2,250	1,117	(1,133)
Fines and Forfeitures	4,863	4,446	4,659	213
All Other Revenue	1,023	874	894	20
Total Revenues	<u>225,816</u>	<u>222,280</u>	<u>217,596</u>	<u>(4,684)</u>
EXPENDITURES				
General Government	17,048	18,483	17,817	666
Public Service	1,643	1,559	1,537	22
Public Safety	145,141	143,681	143,606	75
Public Utilities	51	20	20	-
Community Environment	5,526	5,609	5,026	583
Health	14,533	14,249	14,063	186
Parks and Recreation	3,987	3,953	3,885	68
Capital Outlay	895	713	612	101
Debt Service:				
Principal Retirement	2,019	1,336	1,336	-
Interest and Fiscal Charges	2,216	969	969	-
Total Expenditures	<u>193,059</u>	<u>190,572</u>	<u>188,871</u>	<u>1,701</u>
Excess (Deficiency) of Revenues over Expenditures	<u>32,757</u>	<u>31,708</u>	<u>28,725</u>	<u>(2,983)</u>
Other Financing Sources (Uses):				
Operating Transfers In	856	1,731	2,035	304
Operating Transfers (Out)	(35,499)	(34,989)	(34,989)	-
Sale of Fixed Assets	30	30	15	(15)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(34,613)</u>	<u>(33,228)</u>	<u>(32,939)</u>	<u>289</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (1,856)</u>	<u>\$ (1,520)</u>	<u>\$ (4,214)</u>	<u>\$ (2,694)</u>
Fund Balances (Deficit) at Beginning of Year			13,420	
Increase in Reserve for Inventory			<u>94</u>	
Fund Balance (Deficit) at Year End			<u>\$ 9,300</u>	

**SPECIAL ASSESSMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>Special Assessment Services</u>			Positive (Negative) Variance
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES:				
Special Assessments	\$ 17,171	\$ 17,171	\$ 16,918	\$ (253)
Charges for Services	238	238	249	11
Investment Earnings	160	160	153	(7)
All Other Revenue	2	2	4	2
Total Revenues	<u>\$ 17,571</u>	<u>\$ 17,571</u>	<u>\$ 17,324</u>	<u>\$ (247)</u>
EXPENDITURES:				
General Government	\$ 78	\$ 77	\$ 72	\$ 5
Public Service	20,353	22,435	19,535	2,900
Public Utilities	-	-	-	-
Health	658	654	649	5
Parks and Recreation	2,061	152	148	4
Capital Outlay	249	117	75	42
Debt Service:				
Principal Retirement	44	44	43	1
Interest and Fiscal Charges	1,786	1,787	1,070	717
Total Expenditures	<u>\$ 25,229</u>	<u>\$ 25,266</u>	<u>\$ 21,592</u>	<u>\$ 3,674</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (7,658)</u>	<u>\$ (7,695)</u>	<u>\$ (4,268)</u>	<u>\$ 3,427</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>\$ (7,658)</u>	<u>\$ (7,695)</u>	(4,268)	<u>\$ 3,427</u>
Fund Balances (Deficit) at Beginning of Year			(35,461)	
Increase in Reserve for Inventory			413	
Fund Balance (Deficit) at Year End			<u>\$ (39,316)</u>	

CITY OF TOLEDO, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE A. 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 REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE A. 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, 2004 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.

SUPPLEMENTARY INFORMATION

**CITY OF TOLEDO, OHIO
MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

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.

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**CITY OF TOLEDO, OHIO
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>Capital Improvements</u>			Positive (Negative) Variance
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES:				
Licenses and Permits	-		\$ 103	103
Intergovernmental Services	74,162	74,162	12,236	(61,926)
Charges for Services	96	96	101	5
Investment Earnings	1,064	1,064	998	(66)
All Other Revenue	563	563	374	(189)
Total Revenues	<u>\$ 75,885</u>	<u>\$ 75,885</u>	<u>\$ 13,812</u>	<u>\$ (62,073)</u>
EXPENDITURES:				
Capital Outlay	\$ 129,562	\$ 129,562	\$ 38,922	\$ 90,640
Debt Service:				
Principal Retirement	3,982	3,982	3,481	501
Interest and Fiscal Charges	2,595	2,595	2,592	3
Total Expenditures	<u>\$ 136,139</u>	<u>\$ 136,139</u>	<u>\$ 44,995</u>	<u>\$ 91,144</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (60,254)</u>	<u>\$ (60,254)</u>	<u>\$ (31,183)</u>	<u>\$ 29,071</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	36,433	36,433	35,562	(871)
Operating Transfers (Out)	(14,100)	(14,100)	(14,100)	-
Bond Proceeds	10,300	10,300	8,000	(2,300)
Note Proceeds	6,849	6,849	90	(6,759)
Premiums on Bond	90	90	75	(15)
Sale of Fixed Assets	75	75	4	(71)
Total Other Financing Sources (Uses)	<u>\$ 39,647</u>	<u>\$ 39,647</u>	<u>\$ 29,631</u>	<u>\$ (10,016)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>\$ (20,607)</u>	<u>\$ (20,607)</u>	(1,552)	<u>\$ 19,055</u>
Fund Balances (Deficit) at Beginning of Year			44,472	
Increase in Reserve for Inventory			95	
Fund Balance (Deficit) at Year End			<u>\$ 43,015</u>	

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES:				
Current				
GENERAL GOVERNMENT				
City Council				
Personal Services	\$ 1,479	\$ 1,454	\$ 1,454	\$ -
Materials and Supplies	72	68	60	8
Contractual Services	154	89	86	3
Other	90	101	92	9
Total City Council	<u>1,795</u>	<u>1,712</u>	<u>1,692</u>	<u>20</u>
Office Of The Mayor				
Personal Services	972	940	940	-
Materials and Supplies	43	26	25	1
Contractual Services	461	311	310	1
Other	24	295	77	218
Total Office of the Mayor	<u>1,500</u>	<u>1,572</u>	<u>1,352</u>	<u>220</u>
Auditor				
Personal Services	202	195	195	-
Materials and Supplies	2	1	1	-
Contractual Services	14	17	14	3
Total Auditor	<u>218</u>	<u>213</u>	<u>210</u>	<u>3</u>
Affirmative Action				
Personal Services	322	265	265	-
Materials and Supplies	3	2	2	-
Contractual Services	20	17	17	-
Total Affirmative Action	<u>345</u>	<u>284</u>	<u>284</u>	<u>-</u>
Board Of Community Relations				
Personal Services	163	153	153	-
Materials and Supplies	8	2	2	-
Contractual Services	29	5	5	-
Total Board Of Community Relations	<u>200</u>	<u>160</u>	<u>160</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Financial Analysis				
Personal Services	\$ 143	\$ 114	\$ 114	\$ -
Materials and Supplies	1	-	-	-
Contractual Services	80	6	6	-
Total Financial Analysis	<u>224</u>	<u>120</u>	<u>120</u>	<u>-</u>
General Fund Utilities				
Contractual Services	1,667	1,473	1,473	-
Total General Fund Utilities	<u>1,667</u>	<u>1,473</u>	<u>1,473</u>	<u>-</u>
Law				
Personal Services	1,984	1,891	1,891	-
Materials and Supplies	35	38	37	1
Contractual Services	312	251	237	14
Total Law	<u>2,331</u>	<u>2,180</u>	<u>2,165</u>	<u>15</u>
Youth Commission				
Personal Services	187	187	187	-
Materials and Supplies	8	4	4	-
Contractual Services	31	20	20	-
Total Youth Commission	<u>226</u>	<u>211</u>	<u>211</u>	<u>-</u>
Finance Administration				
Personal Services	186	250	250	-
Materials and Supplies	2	1	1	-
Contractual Services	9	2	2	-
Total Finance Administration	<u>197</u>	<u>253</u>	<u>253</u>	<u>-</u>
Treasury				
Personal Services	226	260	260	-
Materials and Supplies	44	29	25	4
Contractual Services	46	52	49	3
Total Treasury	<u>316</u>	<u>341</u>	<u>334</u>	<u>7</u>
Taxation				
Personal Services	1,117	1,194	1,194	-
Materials and Supplies	113	159	152	7
Contractual Services	499	564	557	7
Total Taxation	<u>1,729</u>	<u>1,917</u>	<u>1,903</u>	<u>14</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Accounts				
Personal Services	\$ 865	\$ 857	\$ 857	\$ -
Materials and Supplies	13	26	6	20
Contractual Services	553	579	451	128
Total Accounts	<u>1,431</u>	<u>1,462</u>	<u>1,314</u>	<u>148</u>
Economic Development				
Other	76	63	63	-
Total Economic Development	<u>76</u>	<u>63</u>	<u>63</u>	<u>-</u>
Human Resources				
Personal Services	1,098	1,186	1,186	-
Materials and Supplies	45	18	18	-
Contractual Services	279	146	146	-
Other	4	-	-	-
Total Human Resources	<u>1,426</u>	<u>1,350</u>	<u>1,350</u>	<u>-</u>
Purchasing And Supplies				
Personal Services	159	169	169	-
Materials and Supplies	6	(1)	(1)	-
Contractual Services	(52)	181	181	-
Total Purchasing and Supplies	<u>113</u>	<u>349</u>	<u>349</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	174	38	38	-
Materials and Supplies	1	1	1	-
Contractual Services	8	4	4	-
Total Streets Bridges & Harbors	<u>183</u>	<u>43</u>	<u>43</u>	<u>-</u>
Facility Operations				
Personal Services	733	700	700	-
Materials and Supplies	111	52	41	11
Contractual Services	875	686	654	32
Total Facility Operations	<u>1,719</u>	<u>1,438</u>	<u>1,395</u>	<u>43</u>
Safety				
Personal Services	-	104	104	-
Other	248	229	151	78
Total Safety	<u>248</u>	<u>333</u>	<u>255</u>	<u>78</u>
Police				
Other	5	5	5	-
Total Police	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Fire				
Personal Services	\$ 66	\$ 72	\$ 72	-
Materials and Supplies	20	32	28	4
Contractual Services	(24)	(40)	(40)	-
Total Fire	<u>62</u>	<u>64</u>	<u>60</u>	<u>4</u>
Natural Resources Administration				
Personal Services	211	103	103	-
Materials and Supplies	3	-	-	-
Contractual Services	152	105	104	1
Total Natural Resources Administration	<u>366</u>	<u>208</u>	<u>207</u>	<u>1</u>
Recreation				
Other	3	-	-	-
Total Recreation	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks & Forestry				
Personal Services	23	-	-	-
Other	16	16	16	-
Total Parks & Forestry	<u>39</u>	<u>16</u>	<u>16</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	79	79	-
Total Fringe Benefits	<u>-</u>	<u>79</u>	<u>79</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	2,267	2,274	2,161	113
Other	362	363	363	-
Total General Non-Departmental Services	<u>2,629</u>	<u>2,637</u>	<u>2,524</u>	<u>113</u>
TOTAL GENERAL GOVERNMENT	<u>19,048</u>	<u>18,483</u>	<u>17,817</u>	<u>666</u>
PUBLIC SERVICE				
General Fund Utilities				
Contractual Services	1,350	1,266	1,266	-
Total General Fund Utilities	<u>1,350</u>	<u>1,266</u>	<u>1,266</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Demolition				
Personal Services	\$ 11	\$ -	\$ -	-
Total General Fund Utilities	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Waste Disposal				
Materials and Supplies	1	-	-	-
Total Waste Disposal	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks & Forestry				
Personal Services	144	149	149	-
Materials and Supplies	4	2	2	-
Contractual Services	133	142	120	22
Total Parks & Forestry	<u>281</u>	<u>293</u>	<u>271</u>	<u>22</u>
 TOTAL PUBLIC SERVICE	 <u>1,643</u>	 <u>1,559</u>	 <u>1,537</u>	 <u>22</u>
 PUBLIC SAFETY				
Municipal Court Judges				
Personal Services	4,839	4,851	4,851	-
Materials and Supplies	72	89	88	1
Contractual Services	1,922	1,863	1,850	13
Total Municipal Court Judges	<u>6,833</u>	<u>6,803</u>	<u>6,789</u>	<u>14</u>
Clerk Of Municipal Court				
Personal Services	4,181	4,182	4,182	-
Materials and Supplies	312	326	326	-
Contractual Services	91	82	82	-
Total Clerk Of Municipal Court	<u>4,584</u>	<u>4,590</u>	<u>4,590</u>	<u>-</u>
Law				
Personal Services	559	581	581	-
Contractual Services	16	15	15	-
Total Law	<u>575</u>	<u>596</u>	<u>596</u>	<u>-</u>
Safety				
Contractual Services	12,171	12,407	12,407	-
Total Safety	<u>12,171</u>	<u>12,407</u>	<u>12,407</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Police				
Personal Services	\$ 66,904	\$ 65,658	\$ 65,658	\$ -
Materials and Supplies	705	628	600	28
Contractual Services	2,858	3,501	3,484	17
Total Police	<u>70,467</u>	<u>69,787</u>	<u>69,742</u>	<u>45</u>
Fire				
Personal Services	48,162	47,039	47,039	-
Materials and Supplies	404	318	313	5
Contractual Services	1,856	1,695	1,695	-
Total Fire	<u>50,422</u>	<u>49,052</u>	<u>49,047</u>	<u>5</u>
Fringe Benefits				
Personal Services	-	353	353	-
Total Fringe Benefits	<u>-</u>	<u>353</u>	<u>353</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	89	93	82	11
Total General Non-Departmental Services	<u>89</u>	<u>93</u>	<u>82</u>	<u>11</u>
TOTAL PUBLIC SAFETY	<u>145,141</u>	<u>143,681</u>	<u>143,606</u>	<u>75</u>
PUBLIC UTILITIES				
Engineering Services				
Personal Services	51	20	20	-
Total Engineering Services	<u>51</u>	<u>20</u>	<u>20</u>	<u>-</u>
TOTAL PUBLIC UTILITIES	<u>51</u>	<u>20</u>	<u>20</u>	<u>-</u>
COMMUNITY ENVIRONMENT				
Planning Commission				
Personal Services	556	532	532	-
Materials and Supplies	18	17	17	-
Contractual Services	58	43	43	-
Total Planning Commission	<u>632</u>	<u>592</u>	<u>592</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
General Fund Utilities				
Contractual Services	\$ -	\$ 268	\$ 268	\$ -
Total General Fund Utilities	<u>-</u>	<u>268</u>	<u>268</u>	<u>-</u>
Youth Commission				
Other	73	67	62	5
Total Youth Commission	<u>73</u>	<u>67</u>	<u>62</u>	<u>5</u>
H N R Administration				
Personal Services	176	125	125	-
Materials and Supplies	6	1	1	-
Contractual Services	121	150	150	-
Other	-	8	-	8
Total H N R Administration	<u>303</u>	<u>284</u>	<u>276</u>	<u>8</u>
Housing Division				
Personal Services	31	27	27	-
Materials and Supplies	-	8	8	-
Total Housing Division	<u>31</u>	<u>35</u>	<u>35</u>	<u>-</u>
Economic Development				
Personal Services	432	381	381	-
Materials and Supplies	43	30	23	7
Contractual Services	128	122	82	40
Other	56	50	3	47
Total Economic Development	<u>659</u>	<u>583</u>	<u>489</u>	<u>94</u>
Demolition				
Personal Services	508	470	470	-
Other	40	155	87	68
Total Demolition	<u>548</u>	<u>625</u>	<u>557</u>	<u>68</u>
Transportation				
Personal Services	112	78	78	-
Materials and Supplies	2	4	4	-
Contractual Services	15	16	16	-
Total Transportation	<u>129</u>	<u>98</u>	<u>98</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	3	(10)	(10)	-
Materials and Supplies	-	10	10	-
Contractual Services	-	69	69	-
Total Streets Bridges & Harbors	<u>3</u>	<u>69</u>	<u>69</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Waste Disposal				
Contractual Services	\$ 669	\$ 669	\$ 261	\$ 408
Total Waste Disposal	<u>669</u>	<u>669</u>	<u>261</u>	<u>408</u>
Engineering Services				
Personal Services	264	198	198	-
Materials and Supplies	11	12	12	-
Contractual Services	28	14	14	-
Total Engineering Services	<u>303</u>	<u>224</u>	<u>224</u>	<u>-</u>
Building Inspection				
Personal Services	1,884	1,815	1,815	-
Materials and Supplies	24	27	27	-
Contractual Services	268	144	144	-
Total Building Inspection	<u>2,176</u>	<u>1,986</u>	<u>1,986</u>	<u>-</u>
Parks & Forestry				
Contractual Services	-	8	8	-
Total Parks & Forestry	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	101	101	-
Total Fringe Benefits	<u>-</u>	<u>101</u>	<u>101</u>	<u>-</u>
TOTAL COMMUNITY ENVIRONMENT	<u>5,526</u>	<u>5,609</u>	<u>5,026</u>	<u>583</u>
HEALTH				
Municipal Court Judges				
Personal Services	271	278	278	-
Materials and Supplies	1	1	1	-
Contractual Services	6	4	4	-
Total Municipal Court Judges	<u>278</u>	<u>283</u>	<u>283</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Refuse Collection				
Personal Services	\$ 9,042	\$ 8,999	\$ 8,999	\$ -
Materials and Supplies	74	61	55	6
Contractual Services	1,151	1,099	1,066	33
Total Refuse Collection	<u>10,267</u>	<u>10,159</u>	<u>10,120</u>	<u>39</u>
Waste Disposal				
Personal Services	1,119	1,081	1,124	(43)
Materials and Supplies	115	108	91	17
Contractual Services	1,822	1,827	1,663	164
Total Waste Disposal	<u>3,056</u>	<u>3,016</u>	<u>2,878</u>	<u>138</u>
Environmental Services				
Personal Services	220	178	178	-
Contractual Services	149	8	7	1
Total Environmental Services	<u>369</u>	<u>186</u>	<u>185</u>	<u>1</u>
Recreation				
Contractual Services	-	1	1	-
Total Recreation	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Parks & Forestry				
Personal Services	389	397	397	-
Materials and Supplies	16	7	7	-
Contractual Services	111	110	102	8
Total Parks & Forestry	<u>516</u>	<u>514</u>	<u>506</u>	<u>8</u>
Fringe Benefits				
Personal Services	1,626	90	90	-
Total Fringe Benefits	<u>1,626</u>	<u>90</u>	<u>90</u>	<u>-</u>
TOTAL HEALTH	<u>16,112</u>	<u>14,249</u>	<u>14,063</u>	<u>186</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004
(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	\$ 36	\$ 24	\$ 20	\$ 4
Total Natural Resources Administration	<u>36</u>	<u>24</u>	<u>20</u>	<u>4</u>
Recreation				
Personal Services	879	881	881	-
Materials and Supplies	111	70	68	2
Contractual Services	856	860	832	28
Total Recreation	<u>1,846</u>	<u>1,811</u>	<u>1,781</u>	<u>30</u>
Parks & Forestry				
Personal Services	1,107	1,118	1,118	-
Materials and Supplies	73	52	46	6
Contractual Services	925	867	839	28
Total Parks & Forestry	<u>2,105</u>	<u>2,037</u>	<u>2,003</u>	<u>34</u>
Fringes				
Personal Services	-	81	81	-
Total Fringes	<u>-</u>	<u>81</u>	<u>81</u>	<u>-</u>
TOTAL PARKS & RECREATION	<u>3,987</u>	<u>3,953</u>	<u>3,885</u>	<u>68</u>
TOTAL CAPITAL OUTLAY	895	713	612	101
TOTAL DEBT SERVICE	4,235	2,305	2,305	-
TOTAL EXPENDITURES	<u>\$ 196,638</u>	<u>\$ 190,572</u>	<u>\$ 188,871</u>	<u>\$ 1,701</u>

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**CITY OF TOLEDO, OHIO
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 12,772	\$ 38	\$ -
Other Cash	1	-	-
Investments	2,400	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	2,870	-	1
Special Assessments Notes	-	597	1,583
Interfund Receivable	1,065	-	-
Prepaid Expenditures	31	-	-
Inventory of Supplies	648	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	421
	-----	-----	-----
Total Assets	\$ 19,787	\$ 635	\$ 2,005
	=====	=====	=====
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 1,283	\$ -	\$ -
Escrow	1,413	-	-
Retainages	15	-	3
Interfund Payable	823	-	131
Due to Other Governments	1	-	-
Deferred Revenue	-	597	1,583
Other Current Liabilities	3	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	1,787
	-----	-----	-----
Total Liabilities	3,538	597	3,504
	-----	-----	-----
 Fund Balances (Deficit):			
Reserved for Debt Service	-	38	-
Reserved for Encumbrances	6,929	-	254
Reserved for Inventory of Supplies	648	-	-
Reserved for Prepaid Expenditures	31	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	216	-	-
Undesignated	8,425	-	(1,753)
	-----	-----	-----
Total Fund Balance (Deficit)	16,249	38	(1,499)
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 19,787	\$ 635	\$ 2,005
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Assets		
Equity in Pooled Cash	\$ 18	\$ 12,828
Other Cash	-	1
Investments	738	3,138
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	2,871
Special Assessments	-	2,180
Notes	-	-
Interfund Receivable	-	1,065
Prepaid Expenditures	-	31
Inventory of Supplies	-	648
Restricted Assets:		
Other Cash	-	-
Investments	-	421
	-----	-----
Total Assets	\$ 756	\$ 23,183
	=====	=====
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ -	\$ 1,283
Escrow	48	1,461
Retainages	-	18
Interfund Payable	-	954
Due to Other Governments	-	1
Deferred Revenue	-	2,180
Other Current Liabilities	-	3
Payable From Restricted Assets:		
Notes Payable	-	1,787
	-----	-----
Total Liabilities	48	7,687
	-----	-----
 Fund Balances (Deficit):		
Reserved for Debt Service	-	38
Reserved for Encumbrances	-	7,183
Reserved for Inventory of Supplies	-	648
Reserved for Prepaid Expenditures	-	31
Unreserved:		
Designated for Subsequent Years Expenditures	-	216
Undesignated	708	7,380
	-----	-----
Total Fund Balance (Deficit)	708	15,496
	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 756	\$ 23,183
	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Special Revenue	Debt Service	Capital Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ 143	\$ 374
Licenses and Permits	15	-	-
Intergovernmental Services	28,490	-	-
Charges for Services	824	-	-
Investment Earnings	304	-	7
Fines and Forfeitures	622	-	-
All Other Revenue	1,501	-	-
	-----	-----	-----
Total Revenues	31,756	143	381
	-----	-----	-----
Expenditures:			
Current:			
General Government	190	-	-
Public Service	9,858	-	-
Public Safety	2,930	-	-
Public Utilities	754	-	-
Community Environment	11,443	-	-
Health	1,248	-	-
Parks and Recreation	309	-	-
Capital Outlay	1,994	-	560
Debt Service:			
Principal Retirement	234	10,162	-
Interest and Fiscal Charges	157	4,053	30
	-----	-----	-----
Total Expenditures	29,117	14,215	590
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	2,639	(14,072)	(209)
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	1,895	14,081	-
Transfers (Out)	(4,197)	-	-
Sale of Fixed Assets	27	-	-
Bond Proceeds	-	-	-
Premium on Bond	-	-	16
Other Revenue (Expenses)	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(2,275)	14,081	16
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	364	9	(193)
Fund Balances (Deficit) at Beginning of Year	16,254	29	(1,306)
Increase in Reserve for Inventory/Notes	(369)	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 16,249	\$ 38	\$ (1,499)
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Revenues:		
Special Assessments	\$ -	\$ 517
Licenses and Permits	-	15
Intergovernmental Services	-	28,490
Charges for Services	-	824
Investment Earnings	(9)	302
Fines and Forfeitures	-	622
All Other Revenue	-	1,501
	-----	-----
Total Revenues	(9)	32,271
	-----	-----
Expenditures:		
Current:		
General Government	-	190
Public Service	-	9,858
Public Safety	-	2,930
Public Utilities	-	754
Community Environment	-	11,443
Health	-	1,248
Parks and Recreation	-	309
Capital Outlay	-	2,554
Debt Service:		
Principal Retirement	-	10,396
Interest and Fiscal Charges	-	4,240
	-----	-----
Total Expenditures	-	43,922
	-----	-----
Excess (Deficiency) of Revenues over Expenditures	(9)	(11,651)
	-----	-----
Other Financing Sources (Uses):		
Transfers In	-	15,976
Transfers (Out)	-	(4,197)
Sale of Fixed Assets	-	27
Bond Proceeds	-	-
Premium on Bond	-	16
Other Revenue (Expenses)	-	-
	-----	-----
Total Other Financing Sources and (Uses)	-	11,822
	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(9)	171
Fund Balances (Deficit) at Beginning of Year	717	15,694
Increase in Reserve for Inventory/Notes	-	(369)
	-----	-----
Fund Balance (Deficit) at Year End	\$ 708	\$ 15,496
	=====	=====

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CITY OF TOLEDO, OHIO
NON-MAJOR-SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

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, 2004
 (Amounts in Thousands)
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 2,525	\$ 4,834	\$ 671
Other Cash	-	-	-
Investments	-	-	13
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1,960	80	4
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	1	-	-
Inventory of Supplies	-	-	-
	-----	-----	-----
Total Assets	\$ 4,486	\$ 4,914	\$ 688
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 510	\$ 507	\$ -
Escrow	12	139	12
Retainages	-	15	-
Interfund Payable	-	-	-
Due to Other Governments	-	-	1
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
	-----	-----	-----
Total Liabilities	522	661	13
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	2,249	2,396	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	1,715	1,857	675
	-----	-----	-----
Total Fund Balance (Deficit)	3,964	4,253	675
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 4,486	\$ 4,914	\$ 688
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
Assets			
Equity in Pooled Cash	\$ 1,466	\$ -	\$ 130
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	673	5	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	30	-	-
Inventory of Supplies	648	-	-
	-----	-----	-----
Total Assets	\$ 2,817	\$ 5	\$ 130
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 182	\$ -	\$ -
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	51	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
	-----	-----	-----
Total Liabilities	182	51	-
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	198	-	-
Reserved for Inventory of Supplies	648	-	-
Reserved for Prepaid Expenditures	31	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	216	-	-
Undesignated	1,542	(46)	130
	-----	-----	-----
Total Fund Balance (Deficit)	2,635	(46)	130
	-----	-----	-----
	\$ 2,817	\$ 5	\$ 130
	=====	=====	=====
Total Liabilities and Fund Balance (Deficit)	\$ 2,817	\$ 5	\$ 130

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Assets			
Equity in Pooled Cash	\$ 202	\$ 79	\$ -
Other Cash	-	-	1
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	17	-	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Total Assets	\$ 219	\$ 79	\$ 1
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 2
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	-	80
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Total Liabilities	-	-	82
Fund Balances (Deficit):			
Reserved for Encumbrances	-	-	1
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	219	79	(82)
Total Fund Balance (Deficit)	219	79	(81)
Total Liabilities and Fund Balance (Deficit)	\$ 219	\$ 79	\$ 1

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
Assets			
Equity in Pooled Cash	\$ 2,865	\$ -	\$ -
Other Cash	-	-	-
Investments	46	2,341	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	6	13	112
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	1,065
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Total Assets	\$ 2,917	\$ 2,354	\$ 1,177
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 48	\$ -	\$ 34
Escrow	185	-	1,065
Retainages	-	-	-
Interfund Payable	-	277	415
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	3	-	-
Total Liabilities	236	277	1,514
Fund Balances (Deficit):			
Reserved for Encumbrances	-	-	2,085
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	2,681	2,077	(2,422)
Total Fund Balance (Deficit)	2,681	2,077	(337)
Total Liabilities and Fund Balance (Deficit)	\$ 2,917	\$ 2,354	\$ 1,177

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2004
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Assets	
Equity in Pooled Cash	\$ 12,772
Other Cash	1
Investments	2,400
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	2,870
Special Assessments	-
Notes	-
Interfund Receivable	1,065
Prepaid Expenditures	31
Inventory of Supplies	648

Total Assets	\$ 19,787
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 1,283
Escrow	1,413
Retainages	15
Interfund Payable	823
Due to Other Governments	1
Deferred Revenue	-
Other Current Liabilities	3

Total Liabilities	3,538

Fund Balances (Deficit):	
Reserved for Encumbrances	6,929
Reserved for Inventory of Supplies	648
Reserved for Prepaid Expenditures	31
Unreserved:	
Designated for Subsequent Years Expenditures	216
Undesignated	8,425

Total Fund Balance (Deficit)	16,249

Total Liabilities and Fund Balance (Deficit)	\$ 19,787
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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, 2004
 (Amounts in Thousands)
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	8,189	6,281	-
Charges for Services	113	96	-
Investment Earnings	19	15	3
Fines and Forfeitures	-	561	-
All Other Revenue	7	34	-
	-----	-----	-----
Total Revenues	8,328	6,987	3
	-----	-----	-----
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	1,792	-
Public Utilities	-	-	-
Community Environment	7,485	2,879	-
Health	-	1,141	-
Parks and Recreation	1	9	-
Capital Outlay	154	1,167	-
Debt Service:			
Principal Retirement	234	-	-
Interest and Fiscal Charges	157	-	-
	-----	-----	-----
Total Expenditures	8,031	6,988	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	297	(1)	3
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	834	570	-
Transfers (Out)	(1,090)	(93)	-
Note Proceeds	-	-	-
Sale of Fixed Assets	27	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(229)	477	-
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	68	476	3
Fund Balances (Deficit) at Beginning of Year	3,896	3,777	1,154
Increase in Reserve for Inventory/Notes	-	-	(482)
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 3,964	\$ 4,253	\$ 675
	=====	=====	=====

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, 2004
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	15	-	-
Intergovernmental Services	11,842	-	-
Charges for Services	4	-	253
Investment Earnings	-	7	-
Fines and Forfeitures	61	-	-
All Other Revenue	63	-	-
	-----	-----	-----
Total Revenues	11,985	7	253
	-----	-----	-----
Expenditures:			
Current:			
General Government	-	-	-
Public Service	9,858	-	-
Public Safety	43	-	-
Public Utilities	754	-	-
Community Environment	10	-	-
Health	-	21	-
Parks and Recreation	-	-	-
Capital Outlay	673	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	11,338	21	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	647	(14)	253
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	10	-	-
Transfers (Out)	(540)	-	(150)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(530)	-	(150)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	117	(14)	103
Fund Balances (Deficit) at Beginning of Year	2,405	(32)	27
Increase in Reserve for Inventory/Notes	113	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 2,635	\$ (46)	\$ 130
	=====	=====	=====

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, 2004
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	-	-	-
Charges for Services	-	40	98
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	53	-	3
Total Revenues	53	40	101
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	-	-
Public Utilities	-	-	-
Community Environment	-	-	-
Health	-	17	-
Parks and Recreation	-	-	133
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	-	17	133
Excess (Deficiency) of Revenues over Expenditures	53	23	(32)
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers (Out)	(105)	-	-
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
Total Other Financing Sources and (Uses)	(105)	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(52)	23	(32)
Fund Balances (Deficit) at Beginning of Year	271	56	(49)
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 219	\$ 79	\$ (81)

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, 2004
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	410	-	1,768
Charges for Services	220	-	-
Investment Earnings	201	59	-
Fines and Forfeitures	-	-	-
All Other Revenue	1,341	-	-
	-----	-----	-----
Total Revenues	2,172	59	1,768
	-----	-----	-----
Expenditures:			
Current:			
General Government	113	77	-
Public Service	-	-	-
Public Safety	1,095	-	-
Public Utilities	-	-	-
Community Environment	-	-	1,069
Health	69	-	-
Parks and Recreation	166	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	1,443	77	1,069
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	729	(18)	699
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	360	30	91
Transfers (Out)	(1,897)	(307)	(15)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(1,537)	(277)	76
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(808)	(295)	775
Fund Balances (Deficit) at Beginning of Year	3,489	2,372	(1,112)
Increase in Reserve for Inventory/Notes	-	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 2,681	\$ 2,077	\$ (337)
	=====	=====	=====

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, 2004
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Revenues:	
Special Assessments	\$ -
Licenses and Permits	15
Intergovernmental Services	28,490
Charges for Services	824
Investment Earnings	304
Fines and Forfeitures	622
All Other Revenue	1,501

Total Revenues	31,756

Expenditures:	
Current:	
General Government	190
Public Service	9,858
Public Safety	2,930
Public Utilities	754
Community Environment	11,443
Health	1,248
Parks and Recreation	309
Capital Outlay	1,994
Debt Service:	
Principal Retirement	234
Interest and Fiscal Charges	157

Total Expenditures	29,117

Excess (Deficiency) of Revenues over Expenditures	2,639

Other Financing Sources (Uses):	
Transfers In	1,895
Transfers (Out)	(4,197)
Note Proceeds	-
Sale of Fixed Assets	27

Total Other Financing Sources and (Uses)	(2,275)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	364
Fund Balances (Deficit) at Beginning of Year	16,254
Increase in Reserve for Inventory/Notes	(369)

Fund Balance (Deficit) at Year End	\$ 16,249
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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, 2004
(Amounts in Thousands)
(Continued)

	Federal Block Grants			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	5,015	14,404	8,189	(6,215)
Charges for Services	10	27	113	86
Investment Earnings	-	25	19	(6)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	6	7	1
Total Revenues	5,025	14,462	8,328	(6,134)
Expenditures:				
Current:				
General Government	5	18	-	18
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	8,064	16,133	7,485	8,648
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	319	408	154	254
Debt Service:				
Principal Retirement	18	255	234	21
Interest and Fiscal Charges	56	217	157	60
Total Expenditures	8,462	17,031	8,030	9,001
Excess (Deficiency) of Revenues over Expenditures	(3,437)	(2,569)	298	2,867
Other Financing Sources (Uses):				
Transfers In	-	834	834	-
Transfers (Out)	(417)	(1,299)	(1,090)	209
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	20	27	7
Total Other Financing Sources and (Uses)	(417)	(445)	(229)	216
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3,854)	\$ (3,014)	69	\$ 3,083
Fund Balances (Deficit) at Beginning of Year			3,896	
Increase in Reserve for Inventory				
Fund Balance (Deficit) at Year End			\$ 3,965	

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, 2004
(Amounts in Thousands)
(Continued)

	Operation Grants			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	18,814	21,330	6,281	(15,049)
Charges for Services	-	-	96	96
Investment Earnings	-	13	15	2
Fines and Forfeitures	-	-	561	561
All Other Revenue	38	48	34	(14)
Total Revenues	18,852	21,391	6,987	(14,404)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	595	-	-	-
Public Safety	3,456	4,988	1,792	3,196
Public Utilities	1	1	-	1
Community Environment	10,548	12,329	2,879	9,450
Health	2,361	4,104	1,141	2,963
Parks and Recreation	19	21	9	12
Capital Outlay	2,380	2,676	1,167	1,509
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	19,360	24,119	6,988	17,131
Excess (Deficiency) of Revenues over Expenditures	(508)	(2,728)	(1)	2,727
Other Financing Sources (Uses):				
Transfers In	31	562	570	8
Transfers (Out)	-	(93)	(93)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	31	469	477	8
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (477)	\$ (2,259)	476	\$ 2,735
Fund Balances (Deficit) at Beginning of Year			3,777	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 4,253	

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, 2004
(Amounts in Thousands)
(Continued)

	Urban Development Action Grant			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	365	365	-	(365)
Charges for Services	-	-	-	-
Investment Earnings	-	-	3	3
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	365	365	3	(362)
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	45	45	3	(42)
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	45	45	3	(42)
Fund Balances (Deficit) at Beginning of Year			1,154	
Increase in Reserve for Inventory			(482)	
Fund Balance (Deficit) at Year End			\$ 675	

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, 2004
(Amounts in Thousands)
(Continued)

	Street Construction Maintenance and Repair			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	15	15
Intergovernmental Services	11,707	11,694	11,842	148
Charges for Services	10	10	4	(6)
Investment Earnings	-	-	-	-
Fines and Forfeitures	72	72	61	(11)
All Other Revenue	5	5	63	58
Total Revenues	11,794	11,781	11,985	204
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	10,901	11,231	9,858	1,373
Public Safety	110	110	43	67
Public Utilities	689	782	754	28
Community Environment	10	10	10	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	72	917	673	244
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	11,782	13,050	11,338	1,712
Excess (Deficiency) of Revenues over Expenditures	12	(1,269)	647	1,916
Other Financing Sources (Uses):				
Transfers In	-	10	10	-
Transfers (Out)	(540)	(540)	(540)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(540)	(530)	(530)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (528)	\$ (1,799)	117	\$ 1,916
Fund Balances (Deficit) at Beginning of Year			2,405	
Increase in Reserve for Inventory			113	
Fund Balance (Deficit) at Year End			\$ 2,635	

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, 2004
(Amounts in Thousands)
(Continued)

	Cemetery Maintenance			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	15	15	7	(8)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	15	15	7	(8)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	24	24	21	3
Parks and Recreation	-	-	-	-
Capital Outlay	12	12	-	12
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	36	36	21	15
Excess (Deficiency) of Revenues over Expenditures	(21)	(21)	(14)	7
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	\$ (21)	\$ (21)	(14)	\$ 7
Fund Balances (Deficit) at Beginning of Year			(32)	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (46)	

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, 2004
(Amounts in Thousands)
(Continued)

	Golf Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	170	170	253	83
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	170	170	253	83
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	150	150	253	103
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	\$ -	\$ -	103	\$ 103
Fund Balances (Deficit) at Beginning of Year			27	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 130	

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, 2004
(Amounts in Thousands)
(Continued)

	Parkland Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	7	7	-	(7)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	53	53
Total Revenues	7	7	53	46
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	108	108	-	108
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	108	108	-	108
Excess (Deficiency) of Revenues over Expenditures	(101)	(101)	53	154
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	(105)	(105)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	(105)	(105)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (101)	\$ (206)	(52)	\$ 154
Fund Balances (Deficit) at Beginning of Year			271	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 219	

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, 2004
 (Amounts in Thousands)
 (Continued)

	Cemeteries Property Acquisition Site Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	22	22	40	18
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	22	22	40	18
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	20	20	17	3
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	20	20	17	3
Excess (Deficiency) of Revenues over Expenditures	2	2	23	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	\$ 2	\$ 2	23	\$ 21
Fund Balances (Deficit) at Beginning of Year			56	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 79	

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, 2004
(Amounts in Thousands)
(Continued)

	Marina Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	120	120	98	(22)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	3	3
Total Revenues	120	120	101	(19)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	133	133	133	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	133	133	133	-
Excess (Deficiency) of Revenues over Expenditures	(13)	(13)	(32)	(19)
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	\$ (13)	\$ (13)	(32)	\$ (19)
Fund Balances (Deficit) at Beginning of Year			(49)	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (81)	

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, 2004
(Amounts in Thousands)
(Continued)

	Expendable Trusts			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	410	410	-
Charges for Services	-	-	220	220
Investment Earnings	-	-	201	201
Fines and Forfeitures	-	-	-	-
All Other Revenue	10	10	1,341	1,331
Total Revenues	10	420	2,172	1,752
Expenditures:				
Current:				
General Government	1,486	1,623	113	1,510
Public Service	-	-	-	-
Public Safety	1,028	1,759	1,095	664
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	775	277	69	208
Parks and Recreation	479	482	166	316
Capital Outlay	2	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,770	4,141	1,443	2,698
Excess (Deficiency) of Revenues over Expenditures	(3,760)	(3,721)	729	4,450
Other Financing Sources (Uses):				
Transfers In	-	83	360	277
Transfers (Out)	(30)	(1,897)	(1,897)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(30)	(1,814)	(1,537)	277
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3,790)	\$ (5,535)	\$ (808)	\$ 4,727
Fund Balances (Deficit) at Beginning of Year			3,489	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 2,681	

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, 2004
(Amounts in Thousands)
(Continued)

	Toledo City Parks			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	59	59
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	-	59	59
Expenditures:				
Current:				
General Government	8	88	77	11
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	8	88	77	11
Excess (Deficiency) of Revenues over Expenditures	(8)	(88)	(18)	70
Other Financing Sources (Uses):				
Transfers In	-	30	30	-
Transfers (Out)	(1,300)	(307)	(307)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(1,300)	(277)	(277)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (1,308)	\$ (365)	(295)	\$ 70
Fund Balances (Deficit) at Beginning of Year			2,372	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 2,077	

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, 2004
 (Amounts in Thousands)
 (Continued)

Toledo Home Program

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	6,160	9,238	1,768	(7,470)
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	6,160	9,238	1,768	(7,470)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	4,958	8,110	1,069	7,041
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	4,958	8,110	1,069	7,041
Excess (Deficiency) of Revenues over Expenditures	1,202	1,128	699	(429)
Other Financing Sources (Uses):				
Transfers In	-	91	91	-
Transfers (Out)	-	(15)	(15)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	76	76	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 1,202	\$ 1,204	775	\$ (429)
Fund Balances (Deficit) at Beginning of Year			(1,112)	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (337)	

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, 2004
(Amounts in Thousands)
(Continued)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	15	15
Intergovernmental Services	42,061	57,441	28,490	(28,951)
Charges for Services	339	356	824	468
Investment Earnings	15	53	304	251
Fines and Forfeitures	72	72	622	550
All Other Revenue	53	69	1,501	1,432
Total Revenues	42,540	57,991	31,756	(26,235)
Expenditures:				
Current:				
General Government	1,519	1,749	190	1,559
Public Service	11,496	11,231	9,858	1,373
Public Safety	4,594	6,857	2,930	3,927
Public Utilities	690	783	754	29
Community Environment	23,708	36,710	11,443	25,267
Health	3,180	4,425	1,248	3,177
Parks and Recreation	631	636	308	328
Capital Outlay	3,085	4,313	1,994	2,319
Debt Service:				
Principal Retirement	18	255	234	21
Interest and Fiscal Charges	56	217	157	60
Total Expenditures	48,977	67,176	29,116	38,060
Excess (Deficiency) of Revenues over Expenditures	(6,437)	(9,185)	2,640	11,825
Other Financing Sources (Uses):				
Transfers In	31	1,610	1,895	285
Transfers (Out)	(2,437)	(4,406)	(4,197)	209
Note Proceeds	0	0	0	-
Sale of Fixed Assets	0	20	27	7
Total Other Financing Sources and (Uses)	(2,406)	(2,776)	(2,275)	501
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (8,843)	\$ (11,961)	365	\$ 12,326
Fund Balances (Deficit) at Beginning of Year			16,254	
Increase in Reserve for Inventory			(369)	
Fund Balance (Deficit) at Year End			\$ 16,250	

**CITY OF TOLEDO, OHIO
NON-MAJOR-DEBT SERVICE FUNDS
DECEMBER 31, 2004**

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

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, 2004
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Fund
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ -	\$ 38	\$ 38
Receivables (Net of Allowance for Uncollectible Accounts):			
Special Assessments	-	597	597
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ -	\$ 635	\$ 635
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	-	597	597
	-----	-----	-----
Total Liabilities	-	597	597
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Debt Service	-	38	38
Reserved for Prepaid Expenditures	-	-	-
	-----	-----	-----
Total Fund Balance (Deficit)	-	38	38
	-----	-----	-----
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ -	\$ 635	\$ 635
	=====	=====	=====

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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, 2004
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Funds
Revenues:			
Special Assessments	\$ -	\$ 143	\$ 143
Intergovernmental Services	-	-	-
Investment Earnings	-	-	-
Total Revenues	-	143	143
Expenditures:			
Debt Service:			
Principal Retirement	10,050	112	10,162
Interest and Fiscal Charges	4,031	22	4,053
Total Expenditures	14,081	134	14,215
Excess (Deficiency) of Revenues over Expenditures	(14,081)	9	(14,072)
Other Financing Sources (Uses):			
Transfers In	14,081	-	14,081
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	14,081	-	14,081
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	9	9
Fund Balances (Deficit) at Beginning of Year	-	29	29
Fund Balance (Deficit) at Year End	\$ -	\$ 38	\$ 38

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, 2004
 (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	10,050	10,050	10,050	-
Interest and Fiscal Charges	3,926	4,031	4,031	-
Total Expenditures	13,976	14,081	14,081	-
Excess (Deficiency) of Revenues over Expenditures	(13,976)	(14,081)	(14,081)	-
Other Financing Sources (Uses):				
Transfers In	13,976	14,081	14,081	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	13,976	14,081	14,081	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
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, 2004
(Amounts in Thousands)

	Special Assessment Debt Service			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 438	\$ 438	143	\$ (295)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	438	438	143	(295)
Expenditures:				
Debt Service:				
Principal Retirement	112	112	112	-
Interest and Fiscal Charges	27	27	22	5
Total Expenditures	139	139	134	5
Excess (Deficiency) of Revenues over Expenditures	299	299	9	(290)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 299	\$ 299	\$ 9	\$ (290)
Fund Balances (Deficit) at Beginning of Year			29	
Fund Balance (Deficit) at Year End			\$ 38	

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, 2004
 (Amounts in Thousands)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 438	\$ 438	\$ 143	\$ (295)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	438	438	143	(295)
Expenditures:				
Debt Service:				
Principal Retirement	10,162	10,162	10,162	-
Interest and Fiscal Charges	3,953	4,058	4,053	5
Total Expenditures	14,115	14,220	14,215	5
Excess (Deficiency) of Revenues over Expenditures	(13,677)	(13,782)	(14,072)	(290)
Other Financing Sources (Uses):				
Transfers In	13,976	14,081	14,081	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	13,976	14,081	14,081	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	299	299	9	\$ (290)
Fund Balances (Deficit) at Beginning of Year	=====	=====	29	=====
Fund Balance (Deficit) at Year End			38	

**CITY OF TOLEDO, OHIO
NON-MAJOR-CAPITAL PROJECTS FUND
DECEMBER 31, 2004**

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 Fund
 Balance Sheet
 December 31, 2004
 (Amounts in Thousands)

	Special Assessment Improvements

Assets	
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	\$ 1
Special Assessments	1,583
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Investments	421

Total Assets	\$ 2,005
	=====
 Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ -
Escrow	-
Retainages	3
Interfund Payable	131
Due to Other Governments	-
Deferred Revenue	1,583
Other Current Liabilities	
Debt:	
Notes Payable	1,787

Total Liabilities	3,504

 Fund Balances (Deficit):	
Reserved for Encumbrances	254
Reserved for Inventory of Supplies	-
Reserved for Capital Improvements	-
Reserved for Prepaid Expenditures	-
Undesignated	(1,753)

Total Fund Balance (Deficit)	(1,499)

Total Liabilities and Fund Balance (Deficit)	\$ 2,005
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City of Toledo, Ohio
 Non-Major Funds
 Capital Projects Fund
 Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Special Assessment Improvements

Revenues:	
Special Assessments	\$ 374
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	7
All Other Revenue	-

Total Revenues	381

Expenditures:	
Capital Outlay	560
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	30

Total Expenditures	590

Excess (Deficiency) of Revenues over Expenditures	(209)

Other Financing Sources (Uses):	
Transfers In	-
Transfers (Out)	-
Bond Proceeds	-
Note Proceeds	-
Premiums on Bond	16
Other	-

Total Other Financing Sources and (Uses)	16

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(193)
Fund Balances (Deficit) at Beginning of Year	(1,306)
Increase in Reserve for Inventory	-

Fund Balance (Deficit) at Year End	\$ (1,499)
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City of Toledo, Ohio
 Capital Projects Fund
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Special Assessment Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ 374	\$ 374
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	7	7
All Other Revenue	-	-	-	-
Total Revenues	-	-	381	381
Expenditures:				
Capital Outlay	363	814	560	254
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	423	413	30	383
Total Expenditures	786	1,227	590	637
Excess (Deficiency) of Revenues over Expenditures	(786)	(1,227)	(209)	1,018
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Bond Proceeds	1,585	1,785	-	(1,785)
Premiums on Bond	-	-	16	16
Total Other Financing Sources and (Uses)	1,585	1,785	16	(1,769)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 799	\$ 558	(193)	\$ (751)
Fund Balances (Deficit) at Beginning of Year			(1,306)	
Fund Balance (Deficit) at Year End			\$ (1,499)	

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**CITY OF TOLEDO, OHIO
NON-MAJOR-PERMANENT FUND
DECEMBER 31, 2004**

PERMANENT FUND

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 Fund
 Balance Sheet
 December 31, 2004
 (Amounts in Thousands)

	Permanent Fund

Assets	
Equity in Pooled Cash	\$ 18
Investments	738

Total Assets	\$ 756
	=====
Liabilities and Fund Balances	
Liabilities	
Escrow	48

Total Liabilities	48

Fund Balances (Deficit):	
Undesignated	708

Total Fund Balance (Deficit)	708

Total Liabilities and Fund Balance (Deficit)	\$ 756
	=====

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City of Toledo, Ohio
 Non-Major Funds
 Permanent Fund
 Revenues and Changes in
 Fund Balances
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Permanent Fund

Revenues:	
Investment Earnings (Loss)	\$ (9)

Total Revenues	(9)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(9)
Fund Balances (Deficit) at Beginning of Year	717
Increase in Reserve for Inventory/Notes	-

Fund Balance (Deficit) at Year End	\$ 708
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CITY OF TOLEDO, OHIO
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2004

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, 2004
(Amounts in Thousands)

	Non Major Enterprise Funds				Small Business Development	Total Non Major Enterprise
	Storm Sewer	Utility Administrative Services	Parking	Property Management		
Assets						
Current Assets						
Equity in Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ 309	\$ 309
Other Cash	-	-	-	1	-	1
Investments	10,368	6,650	-	681	13	17,712
Receivables (Net of Allowance for Uncollectible Accounts):						
Accounts	1,788	27	-	27	142	1,984
Notes	-	-	-	19,140	-	19,140
Interfund Receivable	10,301	-	-	-	-	10,301
Due From Other Governments	161	-	-	-	-	161
Prepaid Expenses	34	74	-	-	1	109
Inventory of Supplies	-	22	-	-	-	22
Total Current Assets	22,652	6,773	-	19,849	465	49,739
Property, Plant and Equipment						
Land	-	-	6,549	1,831	153	8,533
Buildings	-	4,538	23,645	667	-	28,850
Improvements	1,626	53	806	2,207	1,406	6,098
Machinery and Equipment	446	585	271	-	35	1,337
Furniture and Fixtures	-	605	9	-	3	617
Distribution System	-	-	-	-	-	-
Construction in Progress	7,743	-	-	-	-	7,743
Less: Accumulated Depreciation	(233)	(3,414)	(8,050)	(825)	(875)	(13,397)
Net Property, Plant and Equipment	9,582	2,367	23,230	3,880	722	39,781
Other Assets:						
Deferred Debt Issuance Cost	-	-	-	-	-	-
Total Assets	\$ 32,234	\$ 9,140	\$ 23,230	\$ 23,729	\$ 1,187	\$ 89,520

City of Toledo, Ohio
Enterprise Funds
Combining Balance Sheet
December 31, 2004
(Amounts in Thousands)
(Continued)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Total Non Major Enterprise
Liabilities and Fund Equity						
Current Liabilities:						
Accounts Payable	\$ 53	\$ 113	\$ -	\$ -	\$ -	166
Escrow	-	-	22	-	-	22
Retainages	10	-	-	-	-	10
Interfund Payable	11,290	5,553	458	233	-	17,534
Due to Other Governments	-	-	-	-	-	-
Other Current Liabilities	-	-	10	-	37	47
Total Current Liabilities	11,353	5,666	490	233	37	17,779
Long-Term Debt:						
Current Portion	258	-	780	320	-	1,358
Notes Payable	2,068	-	6,937	-	-	9,005
General Obligation Bonds Payable	-	-	940	25,383	-	26,323
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Obligation	-	3,090	-	-	-	3,090
Total Long-Term Liabilities	2,326	3,090	8,657	25,703	-	39,776
Total Liabilities	13,679	8,756	9,147	25,936	37	57,555
Net Assets						
Invested in Capital Assets						-
net of related debt:						
Reserved for Debt Service	7,258	(725)	14,572	(21,911)	722	(84)
Reserved for Debt Service	88	-	-	-	-	88
Reserved for Replacement	3,432	-	-	-	-	3,432
Reserved for Improvement	13,887	-	-	-	-	13,887
Unrestricted	(6,110)	1,109	(489)	19,704	428	14,642
Total Net Assets	\$ 18,555	\$ 384	\$ 14,083	\$ (2,207)	\$ 1,150	\$ 31,965

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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, 2004
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Total
Operating Revenues:						
Charges for Services	\$ 7,694	\$ 7,886	\$ 642	\$ 277	\$ 54	\$ 16,553
Other Revenue	16	(57)	739	-	23	721
Total Operating Revenues	7,710	7,829	1,381	277	77	17,274
Operating Expenses:						
Personal Services	3,027	5,674	-	-	16	8,717
Contractual Services	2,612	1,145	-	11	10	3,778
Materials and Supplies	331	418	-	-	-	749
Utilities	22	65	-	-	16	103
Depreciation and Amortization	102	339	578	140	-	1,159
Total Operating Expenses	6,094	7,641	578	151	42	14,506
Operating Income (Loss)	1,616	188	803	126	35	2,768
Nonoperating Revenues (Expenses):						
Investment Earnings	108	(6)	-	566	-	668
Interest Expense and Fiscal Charges	(29)	(280)	(576)	(1,524)	-	(2,409)
Other Revenue (Expenses)	-	-	-	(590)	-	(590)
Total Nonoperating Revenues (Expenses)	79	(286)	(576)	(1,548)	-	(2,331)
Income (Loss) before Operating Transfers	1,695	(98)	227	(1,422)	35	437
Operating Transfers In	-	-	-	922	-	922
Operating Transfers (Out)	-	-	(49)	(1,085)	(220)	(1,354)
Total Operating Transfers In (Out)	-	-	(49)	(163)	(220)	(432)
Net Income (Loss)	1,695	(98)	178	(1,585)	(185)	5
Net Assets at Beginning of Year	16,860	482	13,905	(622)	1,335	31,960
Net Assets at End of Year	18,555	384	14,083	(2,207)	1,150	31,965

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Business Development	Non-Major Enterprise
Cash Flows from Operating Activity						
Receipts from Customers	\$ 11,086	\$ 7,892	\$ 1,406	\$ 1,453	\$ 49	\$ 21,886
Payments to Suppliers	(13,229)	(3,472)	-	(10)	(40)	(16,751)
Payment to Employees	(3,027)	(5,674)	-	-	(15)	(8,716)
Net Cash Provided by (Used for) Operating Activity	(5,170)	(1,254)	1,406	1,443	(6)	(3,581)
Cash Flows from Noncapital Financing Activities						
Transfers In	-	-	-	921	-	921
Transfers Out	-	-	(50)	(1,085)	(219)	(1,354)
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	(50)	(164)	(219)	(433)
Cash Flows from Capital & Related Financing Activities						
Acquisition and Construction of Capital Assets	(1,031)	(35)	-	-	-	(1,066)
Principal Paid on Bond Maturities	-	(258)	(780)	(400)	-	(1,438)
Issuance of Revenue Bonds and Notes	1,061	-	-	-	-	1,061
Interest Expense and Fiscal Charges	(29)	(280)	(576)	(1,523)	-	(2,408)
Proceeds from Sale of Capital Assets/Grants/Other expenses	-	-	-	(410)	-	(410)
Net Cash Provided by (Used for) Capital and Related Financing Activities	1	(573)	(1,356)	(2,333)	-	(4,261)
Cash Flows from Investing Activities						
Purchase of Investment Securities	(10,494)	(12,770)	-	(2,832)	-	(26,096)
Sale and Maturities of Investment Securities	7,393	14,603	-	2,847	-	24,843
Investment Earnings and Dividends on Investments	\$ 108	\$ (6)	\$ -	\$ 566	\$ -	688
Net Cash Provided by (Used for) Investing Activities	(2,993)	1,827	-	581	-	(585)
Net Increase (Decrease) in Cash & Cash Equivalents	(8,162)	-	-	(473)	(225)	(8,860)
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	8,162	-	-	473	535	9,170
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 310

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Utility		Small		Non Major	
	Storm Sewer	Administrative Services	Parking Management	Business Development	Enterprise	Enterprise
Cash Flows from Operating Activity:						
Operating Income (Loss)	\$ 1,616	\$ 187	\$ 804	\$ 127	\$ 34	\$ 2,768
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization	102	339	578	139	-	1,158
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(479)	63		1,073	(28)	629
(Increase) Decrease in Prepaid Expenses	(33)	(23)		-	-	(56)
(Increase) Decrease in Interfund Receivable	(10,301)					(10,301)
(Increase) Decrease in Due from Other Governments	(138)					(138)
(Increase) Decrease in Deferred Debt Issuance Costs		17				-
(Increase) Decrease in Inventory of Supplies	(13)	65		(1)	(12)	17
Increase (Decrease) in Accounts Payable			(14)			39
Increase (Decrease) in Escrow						(14)
Increase (Decrease) in Retainage	5					5
Increase (Decrease) in Interfund Payable	4,071	(1,908)	41	105		2,309
Increase (Decrease) in Other Current Liabilities		6	(3)			3
Total Adjustments	(6,786)	(1,441)	602	1,316	(40)	(6,349)
Net Cash Provided by (Used for) Operating Activities	\$ (5,170)	\$ (1,254)	\$ 1,406	\$ 1,443	\$ (6)	\$ (3,581)

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CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
DECEMBER 31, 2004

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, 2004
(Amounts in Thousands)
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop
Assets			
Current Assets			
Equity in Pooled Cash	\$ -	\$ 6,110	\$ -
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	51	3	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	768	-	3
Investments at Cost	-	2,718	-
Total Current Assets	819	8,831	3
Property, Plant and Equipment			
Land	350	-	-
Buildings	1,111	-	-
Improvements	173	161	-
Machinery and Equipment	51,425	2,148	61
Furniture and Fixtures	11	19	4
Less: Accumulated Depreciation	(40,956)	(1,061)	(65)
Net Property, Plant and Equipment	12,114	1,267	-
Total Assets	\$ 12,933	\$ 10,098	\$ 3
Liabilities and Fund Equity			
Current Liabilities:			
Accounts Payable	\$ 487	\$ 429	\$ 65
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	655	-	704
Other Current Liabilities	-	-	-
Total Current Liabilities	1,142	429	769
Debt:			
Current Portion	-	5,937	-
Notes Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Total Long-Term Liabilities	-	5,937	-
Total Liabilities	1,142	6,366	769
Net Assets			
Invested in Capital Assets net of Related Debt	12,113	(4,670)	-
Reserved for Replacement	-	2,000	-
Unreserved	(324)	6,404	(766)
Total Net Assets	\$ 11,789	\$ 3,734	\$ (766)

City of Toledo, Ohio
Internal Service Funds
Combining Balance Sheet
December 31, 2004
(Amounts in Thousands)
(Continued)

	Data Processing	Risk Management	Workers' Compensation	Total
Assets				
Current Assets				
Equity in Pooled Cash	\$ -	\$ 4,789	\$ 13,767	\$ 24,666
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	-	-	-	54
Interfund Receivable	-	1,367	-	1,367
Prepaid Expenditures	-	-	-	-
Inventory of Supplies	-	-	-	771
Investments at Cost	-	-	-	2,718
Total Current Assets	-	6,156	13,767	29,576
Property, Plant and Equipment				
Land	-	-	-	350
Buildings	-	-	-	1,111
Improvements	-	-	1	335
Machinery and Equipment	296	17	51	53,998
Furniture and Fixtures	64	1	-	99
Less: Accumulated Depreciation	(361)	(9)	(23)	(42,475)
Net Property, Plant and Equipment	(1)	9	29	13,418
Total Assets	\$ (1)	\$ 6,165	\$ 13,796	\$ 42,994
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable	\$ 16	\$ 123	\$ 13	\$ 1,133
Escrow	-	1,367	-	1,367
Retainages	-	-	-	-
Interfund Payable	2	-	-	1,361
Other Current Liabilities	-	1,582	13,770	15,352
Total Current Liabilities	18	3,072	13,783	19,213
Debt:				
Current Portion	-	-	-	5,937
Notes Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Total Long-Term Liabilities	-	-	-	5,937
Total Liabilities	18	3,072	13,783	25,150
Net Assets				
Invested in Capital Assets net of Related Debt	(1)	9	29	7,480
Reserved for Replacement	-	-	-	2,000
Unreserved	(18)	3,084	(16)	8,364
Total Net Assets	\$ (19)	\$ 3,093	\$ 13	\$ 17,844

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2004
(Amounts in Thousands)
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
Operating Revenues:				
Charges for Services	\$ 8,433	\$ 2,069	\$ 627	\$ 1,577
Other Revenue	137	-	-	-
Total Operating Revenues	8,570	2,069	627	1,577
Operating Expenses:				
Personal Services	3,616	-	52	1,149
Contractual Services	821	-	20	615
Materials and Supplies	4,016	-	566	39
Utilities	21	-	-	48
Depreciation and Amortization	3,171	156	1	1
Total Operating Expenses	11,645	156	639	1,852
Operating Income (Loss)	(3,075)	1,913	(12)	(275)
Nonoperating Revenues (Expenses):				
Interest Revenue	-	25	-	-
Interest Expense and Fiscal Charges	-	(90)	-	-
Other Revenue (Expenses)	127	53	-	-
Total Nonoperating Revenues (Expenses)	127	(12)	-	-
Income (Loss) before Operating Transfers	(2,948)	1,901	(12)	(275)
Operating Transfers In	2,421	-	-	-
Operating Transfers (Out)	-	(2,246)	-	-
Total Operating Transfers In (Out)	2,421	(2,246)	-	-
Net Income (Loss)	(527)	(345)	(12)	(275)
Net Assets at Beginning of Year	12,316	4,079	(754)	256
Net Assets at End of Year	\$ 11,789	\$ 3,734	\$ (766)	\$ (19)

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2004
(Amounts in Thousands)
(Continued)

	Risk Management	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 977	\$ 6,707	\$ 20,390
Other Revenue	-	86	223
Total Operating Revenues	977	6,793	20,613
Operating Expenses:			
Personal Services	83	252	5,152
Contractual Services	1,623	5,395	8,474
Materials and Supplies	-	2	4,623
Utilities	-	-	69
Depreciation and Amortization	1	5	3,335
Total Operating Expenses	1,707	5,654	21,653
Operating Income (Loss)	(730)	1,139	(1,040)
Nonoperating Revenues (Expenses):			
Interest Revenue	-	-	25
Interest Expense and Fiscal Charges	-	-	(90)
Other Revenue (Expenses)	-	-	180
Total Nonoperating Revenues (Expenses)	-	-	115
Income (Loss) before Operating Transfers	(730)	1,139	(925)
Operating Transfers In	-	-	2,421
Operating Transfers (Out)	-	-	(2,246)
Total Operating Transfers In (Out)	-	-	175
Net Income (Loss)	(730)	1,139	(750)
Net Assets at Beginning of Year	3,823	(1,126)	18,594
Net Assets at End of Year	\$ 3,093	\$ 13	\$ 17,844

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2004
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Receipts from Customers	\$ 8,643	\$ 2,487	\$ 627	\$ 1,577	\$ 977	\$ 6,707	\$ 21,018
Payments to Suppliers	(5,275)	-	(599)	(779)	(1,526)	(4,385)	(12,564)
Payments to Employees	(3,615)	-	(52)	(1,150)	(83)	(252)	(5,152)
Other Receipts	-	-	-	-	-	86	86
Net Cash Provided by (Used for) Operating Activities	(247)	2,487	(24)	(352)	(632)	2,156	3,388
Cash Flow from Noncapital Financing Activities:							
Operating Transfers In	2,421	-	-	-	-	-	2,421
Operating Transfers Out	-	(2,246)	-	-	-	-	(2,246)
Net Cash Provided by (Used for) Noncapital Financing Activities	2,421	(2,246)	-	-	-	-	175
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(2,426)	(4)	-	-	-	-	(2,430)
Principal Paid on Bond Maturities	-	(8,317)	-	-	-	-	(8,317)
Issuance of Revenue Bonds and Notes	-	11,345	-	-	-	-	11,345
Interest Expense and Fiscal Charges	-	(90)	-	-	-	-	(90)
Proceeds on Sale of Capital Assets	127	53	-	-	-	-	180
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,299)	2,987	-	-	-	-	688
Cash Flows from Investing Activities:							
(Purchase) of Investment Securities	-	(561)	-	-	-	-	(561)
Investment Earnings and Dividends on Investments	-	25	-	-	-	-	25
Net Cash Provided by (Used for) Investing Activities	-	(536)	-	-	-	-	(536)
Net Increase (Decrease) in Cash	(125)	2,692	(24)	(352)	(632)	2,156	3,715
Cash and Cash Equivalents at Beginning of Year	125	3,418	24	352	5,421	11,611	20,951
Cash and Cash Equivalents at End of Year	\$ -	\$ 6,110	\$ -	\$ -	\$ 4,789	\$ 13,767	\$ 24,666

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2004
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Operating Income (Loss)	\$ (3,075)	\$ 1,913	\$ (12)	\$ (275)	\$ (730)	\$ 1,139	\$ (1,040)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:							
Depreciation and Amortization	3,171	156	1	1	1	5	3,335
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(5)	7	-	-	-	-	2
(Increase) Decrease in Interfund Receivable	-	-	-	-	-	-	-
(Increase) Decrease in Inventory	(92)	-	37	-	-	-	(55)
Increase (Decrease) in Accounts Payable	(40)	411	36	(79)	97	12	437
Increase (Decrease) in Interfund Payable	119	-	704	1	-	-	824
Increase (Decrease) in Other Current Liabilities	(325)	-	(790)	-	-	1,000	(115)
Total Adjustments	2,828	574	(12)	(77)	98	1,017	4,428
Net Cash Provided by (Used for) Operating Activities:	\$ (247)	\$ 2,487	\$ (24)	\$ (352)	\$ (632)	\$ 2,156	\$ 3,388

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CITY OF TOLEDO, OHIO
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2004

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, 2004
(Amounts in Thousands)

	<u>General Agency</u>	<u>Municipal Court</u>	<u>Total</u>
Assets			
Equity in Pooled Cash	\$ 849	\$ --	\$ 849
Investments	<u>---</u>	<u>1,281</u>	<u>1,281</u>
Total Assets	<u>\$ 849</u>	<u>\$ 1,281</u>	<u>\$ 2,130</u>
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 36	\$ --	\$ 36
Escrow	<u>---</u>	<u>1,281</u>	<u>1,281</u>
Other Current Liabilities	<u>813</u>	<u>---</u>	<u>813</u>
Total Liabilities	<u>\$ 849</u>	<u>\$ 1,281</u>	<u>\$ 2,130</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, 2004
(Amounts in Thousands)
(Continued)

	GENERAL AGENCY FUND			
	<u>Balance</u> <u>Jan. 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2004</u>
Assets				
Equity in Pooled Cash Investments	\$ 833	\$ 707	\$ 691	\$ 849
	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 833</u>	<u>\$ 707</u>	<u>\$ 691</u>	<u>\$ 849</u>
Liabilities				
Accounts Payable	\$ 35	\$ 658	\$ 657	\$ 36
Escrow	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other Current Liabilities	<u>798</u>	<u>739</u>	<u>724</u>	<u>813</u>
Total Liabilities	<u>\$ 833</u>	<u>\$ 1,397</u>	<u>\$ 1,381</u>	<u>\$ 849</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2004
 (Amounts in Thousands)
 (Continued)

MUNICIPAL COURT FUND

	<u>Balance</u> <u>Jan. 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2004</u>
Assets				
Equity in Pooled Cash Investments	\$ --- <u>826</u>	\$ --- <u>455</u>	\$ --- <u>---</u>	\$ --- <u>1,281</u>
Total Assets	\$ 826	\$ 455	\$ ---	\$ 1,281
Liabilities				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Escrow	826	455	---	1,281
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	\$ 826	\$ 455	\$ ---	\$ 1,281

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2004
(Amounts in Thousands)
(Continued)

	Balance	TOTAL - ALL AGENCY FUNDS			Balance
	<u>Jan. 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>		<u>Dec. 31, 2004</u>
Assets					
Equity in Pooled Cash	\$ 833	\$ 707	\$ 691		\$ 849
Investments	<u>826</u>	<u>455</u>	<u>---</u>		<u>1,281</u>
Total Assets	<u>\$ 1,659</u>	<u>\$ 1,162</u>	<u>\$ 691</u>		<u>\$ 2,130</u>
Liabilities					
Accounts Payable	\$ 35	\$ 658	\$ 657		\$ 36
Escrow	826	455	---		1,281
Other Current Liabilities	<u>798</u>	<u>739</u>	<u>724</u>		<u>813</u>
Total Liabilities	<u>\$ 1,659</u>	<u>\$ 1,852</u>	<u>\$ 1,381</u>		<u>\$ 2,130</u>

**CITY OF TOLEDO, OHIO
CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

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, 2004
(AMOUNTS IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$ 24,781
Buildings and Construction in Progress	61,552
Improvements.....	55,185
Machinery and Equipment	42,030
Furniture and Fixtures	6,342
Infrastructure	<u>552,286</u>
 Total General Fixed Assets.....	 \$ 742,176
 Less: Accumulated Depreciation.....	 <u>(330,662)</u>
 Net General Fixed Assets	 <u>\$ 411,514</u>

INVESTMENT IN GENERAL FIXED ASSETS:

Acquired Before December 31, 1982.....	\$ 52,619
General Fund.....	39,137
Special Revenue Funds.....	11,809
Capital Projects Funds.....	<u>638,611</u>
 Total Investment in General Fixed Assets.....	 \$742,176
 Less: Accumulated Depreciation.....	 <u>(330,662)</u>
 Net Investment in General Fixed Assets.....	 <u>\$ 411,514</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

FUNCTION AND ACTIVITY	BUILDINGS AND CONSTRUCTION		
	<u>LAND</u>	<u>IN PROGRESS</u>	<u>IMPROVEMENTS</u>
General Government:			
City Council.....	\$ --	\$ --	\$ 34
Mayor	--	--	1,765
Auditor	--	--	--
Planning Commission	--	--	--
Health	472	1,346	--
Municipal Court Judges.....	105	5,867	114
Clerk of Courts	--	--	54
Support Services.....	--	--	1
Computing Services.....	--	76	47
Finance	--	--	--
Treasury	--	--	--
Taxation.....	--	--	2
Accounts	--	--	--
Community Development.....	386	2,876	479
Inspection	--	--	14
Economic Development.....	--	372	1,082
Demolition	--	--	84
Human Resources	--	--	29
Law	--	--	--
Total General Government	<u>963</u>	<u>10,537</u>	<u>3,705</u>
Public Service:			
Public Service.....	--	--	221
Public Service Administration	--	--	--
Engineering & Construction	--	16	431
Streets, Bridges & Harbor.....	3,218	2,006	416
Waste Disposal	1,919	189	43
Maintenance of Public Buildings ...	181	5,127	22,622
Environmental Services	--	165	6
Total Public Service	<u>5,318</u>	<u>7,503</u>	<u>23,739</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2004 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>TOTAL</u>
\$ 108	\$ 41	\$ 183
44	37	1,846
14	22	36
182	93	275
-	-	1,818
2,058	730	8,874
370	260	684
1,388	46	1,435
2,379	10	2,512
28	32	60
83	24	107
50	33	85
193	41	234
1,157	216	5,114
115	58	187
133	26	1,613
52	-	136
989	102	1,120
<u>66</u>	<u>88</u>	<u>154</u>
9,409	<u>1,859</u>	<u>26,473</u>
600	41	862
9	3	12
197	261	905
1,015	113	6,768
6,552	35	8,738
2,280	285	30,495
<u>338</u>	<u>52</u>	<u>561</u>
<u>10,991</u>	<u>790</u>	<u>48,341</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2004 (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	\$ 2,081
Fire	738	6,629	2,363
Traffic Engineering	<u>—</u>	<u>—</u>	<u>3,383</u>
Total Public Safety	<u>947</u>	<u>13,024</u>	<u>7,827</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
Total General Fixed Assets.....	24,781	61,552	55,185
Less: Accumulated Depreciation ..	<u>—</u>	<u>(44,736)</u>	<u>(24,840)</u>
Net General Fixed Assets.....	<u>\$24,781</u>	<u>\$ 16,816</u>	<u>\$30,345</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2004 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>INFRASTRUCTURE</u>	<u>TOTAL</u>
\$ 6,670	\$ 960	\$ —	\$ 16,315
5,697	322	—	15,749
<u>4,007</u>	<u>382</u>	<u>—</u>	<u>7,772</u>
<u>16,374</u>	<u>1,664</u>	<u>—</u>	<u>39,836</u>
43	124	—	223
1,079	50	—	24,397
<u>2,308</u>	<u>36</u>	<u>—</u>	<u>5,902</u>
<u>3,430</u>	<u>210</u>	<u>—</u>	<u>30,522</u>
1,826	1,819	—	44,718
42,030	6,342	552,286	742,176
<u>(20,250)</u>	<u>(5,059)</u>	<u>(235,777)</u>	<u>(330,662)</u>
<u>\$ 21,780</u>	<u>\$ 1,283</u>	<u>\$316,509</u>	<u>\$ 411,514</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004
(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.....	347	1,499	--	1,846
Auditor	36	--	--	36
Planning Commission	264	10	--	274
Health	1,818	--	--	1,818
Municipal Court Judges.....	8,770	104	--	8,874
Clerk of Municipal Courts.....	685	--	--	685
Information & Communications...	--	1,435	--	1,435
Support Services.....	1,966	--	--	1,966
Management Services	546	--	--	546
Finance	59	--	--	59
Treasury	107	--	--	107
Taxation.....	85	--	--	85
Accounts	233	--	--	233
Community Development.....	5,114	--	--	5,114
Housing Division... ..	--	1	--	1
Inspection.....	188	--	--	188
Economic Development.....	1,614	--	--	1,614
Demolition... ..	--	136	--	136
Human Resources	1,120	--	--	1,120
Law	154	--	--	154
Total General Government	<u>23,289</u>	<u>3,185</u>	<u>--</u>	<u>26,474</u>
Public Service:				
Public Service.....	862	--	--	862
Public Service Administration	12	--	--	12
Engineering & Construction	867	38	--	905
Streets, Bridges & Harbor.....	6,690	76	--	6,766
Waste Disposal	8,737	--	--	8,737
Maintenance of Public Buildings ...	28,625	1,872	--	30,497
Environmental Services	527	35	--	562
Total Public Service	<u>46,320</u>	<u>2,021</u>	<u>--</u>	<u>48,341</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
Public Safety				
Police	\$ 15,259	\$ 1,054	\$ --	\$ 16,313
Fire	15,620	130	--	15,570
Traffic Engineering	<u>7,772</u>	<u>--</u>	<u>--</u>	<u>7,772</u>
Total Public Safety	<u>38,651</u>	<u>1,184</u>	<u>--</u>	<u>39,835</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
Total General Fixed Assets... ..	183,500	6,390	--	189,890
Infrastructure	516,512	35,774	--	552,286
Total General Fixed Assets.....	700,012	42,164	--	742,176
Less Accumulated Depreciation .	<u>(299,379)</u>	<u>(31,283)</u>	<u>--</u>	<u>(330,662)</u>
Net General Fixed Assets	<u>\$ 400,633</u>	<u>\$ 10,881</u>	<u>\$ --</u>	<u>\$ 411,514</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
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
2004	18,079	31,704	146,536	16,469	15,960

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			
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	
2004	155,243	34,641	2,567	33,476	

Source: City of Toledo
Finance Department

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

PARKS RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
\$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	25,603	300,681
4,342	42,163	24,127	299,380

SHARED REVENUES	CHARGES FOR SERVICES	INVESTMENT EARNINGS	FINES AND FORFEITURES	ALL OTHER REVENUE	TOTAL
\$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
30,364	14,088	2,570	5,281	2,773	281,003

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
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
2004	16,995	16,056	94.5%	753

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
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%
2004	155,243	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
\$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%
16,809	98.9%	2,495	14.5%

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
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
2005	3,789,811	10,828,031	165,221	660,884

- (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			
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
2004	3.80	.30	.30		4.40	2.50

Source: Lucas County Auditor

PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
ASSESSED VALUE (2)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
\$ 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%
468,208	1,872,832	4,423,240	13,361,747	34.0%

PORT AUTHORITY	LUCAS COUNTY	TOLEDO CITY SCHOOL DISTRICT	METRO PARK DISTRICT	TOTAL
.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
.40	15.90	63.05	1.70	87.95

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
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
2004	17,779	15,590	87.7%	2,016

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⁾
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
2004	313,619	4,423,240	127,241	38

(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
\$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
17,605	99.0%	6,349

NET GENERAL BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 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
127,203	2.9%	405.63

TABLE 8 (a)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5½% LIMIT)
AT DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value		<u>\$4,423,240</u>
Unvoted Debt Limit - 5½%		
Of Assessed Valuation		\$ 243,278
Total Unvoted Debt Outstanding		
At 12/31/03	\$382,100	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds	\$ 406	
Special Assessment Services		
Notes	35,600	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans	162,939	
Capital Projects & Other Loans	1,500	
Pension Bonds	11,400	
Other Bonds & Notes	<u>43,234</u>	
Total	<u>255,079</u>	
Net Subject to 5½% Limit		<u>127,021⁽¹⁾</u>
Total Legal Unvoted Debt Margin		<u>\$ 116,257</u>
⁽¹⁾ General Obligation Bonds -		
City of Toledo	\$ 89,978	
Enterprise	25,708	
Internal Service	<u>1</u>	
	115,687	
General Obligation Notes-City of Toledo	<u>11,334</u>	
Total Bonds and Notes	<u>\$127,021</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, 2004
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value.....		<u>\$4,423,240</u>
Voted & Unvoted Debt Limit - 10½%		
Of Assessed Valuation		\$ 464,440
Total Unvoted Debt Outstanding		
At 12/31/03.....	\$382,100	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds	\$ 406	
Special Assessment Services		
Notes	35,600	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans.....	162,939	
Capital Projects & Other Loans	1,500	
Pension Bonds	11,400	
Other Bonds & Notes.....	<u>43,234</u>	
Total.....	<u>255,079</u>	
Net Subject to 10½% Limit		<u>127,021</u>
Total Legal Voted and Unvoted		
Debt Margin		<u>\$ 337,419</u>

Source: City of Toledo Finance Department

TABLE 9
CITY OF TOLEDO, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AT DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

POLITICAL SUBDIVISION	AMOUNT OF DEBT	PERCENT APPLICABLE TO CITY	CITY'S SHARE
Direct Debt:			
City of Toledo	\$127,241	100.0%	\$127,241
Subdivision Overlapping Debt:			
Lucas County	33,188	51.3%	17,025
Toledo City School District	157,477	98.7%	155,430
Sylvania City School District	2,763	8.4%	232
Ottawa Hills Local School District...	50	1.1%	1
Springfield Local School District.....	1,846	10.0%	185
Sylvania Area Joint Recreation Dist .	368	8.4%	31
Washington Local School District....	<u>1,112</u>	95.0%	<u>1,056</u>
Total Subdivision Overlapping Debt	<u>\$196,804</u>		<u>\$ 173,960</u>
Total Direct and Overlapping Debt.....	<u>\$324,045</u>		<u>\$301,201</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
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%
2004	10,162	4,053	14,215	299,380	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
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
2004	35,406	23,585	11,821

(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
\$ 5,054	\$ 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
11,821	3,517	3,277	6,794	1.74

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
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
2004	41,121	25,165	15,956

(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
\$11,265	\$ 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
15,956	2,839	3,994	6,833	2.34

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2004
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 - 2 000

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2004
(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

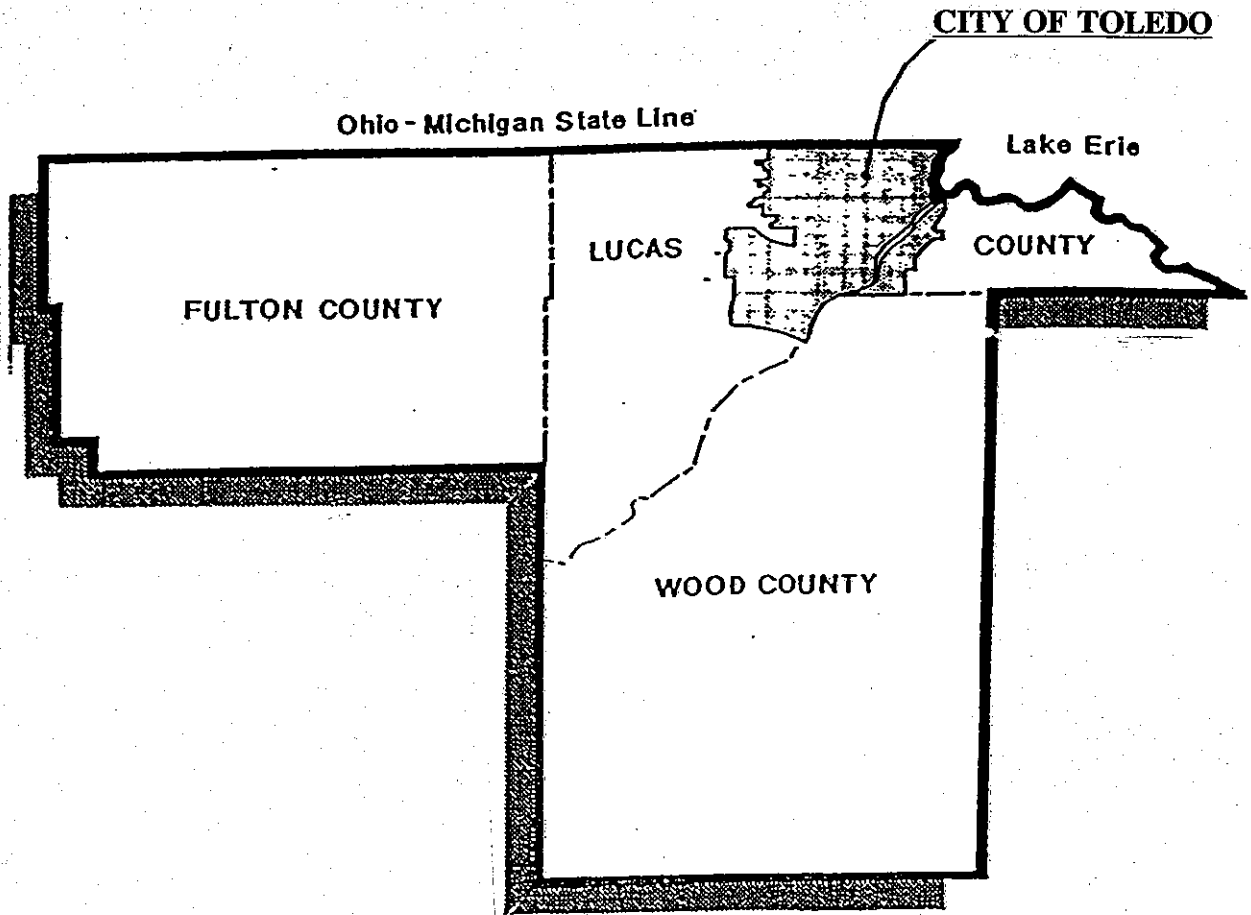
Percentage of employment	82.8%
Non-Manufacturing employment	271,800

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, 2004
(CONTINUED)**



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⁾
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
2004	4,423,240	176,421	5,473,336

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, 2004

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	\$64,482	1.5%
Ameritech	Utility	46,609	1.1%
Owens-Illinois Company	Glass Manufacturer	19,250	0.4%
Columbia Gas of Ohio, Inc.	Utility	17,385	0.4%
A.E.R.C. Corp	Real Estate Holdings	14,659	0.3%
Westfield Shopping Town Mall	Retail Mall Owner-Lessor	13,691	0.2%
St. Vincent Medical Center	Healthcare	10,465	0.2%
The Medical College of Ohio	Education	8,673	0.2%
General Motors Corporation, Powertrain Division	Automotive Manufacturer	8,535	0.2%
Toledo Hospital	Medical Office Building	8,364	0.2%
		<u>\$212,113</u>	<u>4.7%</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	\$ 49,953	1.1%
DaimlerChrysler	Automotive Manufacturer	30,137	.7%
General Mills, Inc.	Food Purchaser	14,649	.3%
Block Communications	Newspaper Publisher	14,221	.3%
Amerisource Corp.	Pharmaceutical Supply Service	9,473	.2%
Perstorp Polyols, Inc.	Chemical Manufacturing	6,952	.2%
Libbey, Inc.	Glass Manufacturer	6,041	.1%
New Mather Metals	Stabilizer and Torsion Bar Manufacturer	5,762	.1%
Textileleather	Fabric Processing	4,816	.1%
Kraft Foods North America	Food Processing	4,213	.1%
		<u>\$ 146,217</u>	<u>3.2%</u>

Source: Lucas County Auditor

TABLE 14(b)
CITY OF TOLEDO, OHIO
TEN LARGEST MUNICIPAL INCOME TAXPAYERS
DECEMBER 31, 2004
(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
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
2004	41,951

Source: City of Toledo
 Income Tax Division

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2004

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	32
2004 Passenger Traffic	301,252
2004 Air Cargo (lbs)	777,082,548

RAIL

Number of Railroad Systems	4
Miles of Track	1,200

LAND

Number of Trucking Firms	41
Interstate Bus Lines	14
TARTA - 20 04 Passengers	4,537,990

WATER

Port Vessel Traffic	606
Cargo Tonnage	9,387,319

EDUCATION

University of Toledo Students	19,500
Community College Students	21,000
Medical College of Ohio at Toledo Students	1,042
Toledo City School District:	
Number of Schools	62
Number of Students	32,985

ENERGY

Electric Customers-Toledo Edison Company	303,000
Gas Customers-Columbia Gas of Ohio, Inc.	179,250

MEDICAL

Number of Hospitals	4
Number of Beds	1,737

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2004
(CONTINUED)

COMMERCIAL ACTIVITY

Amount of Retail Sales	\$9,110,348
Number of Building Permits.....	6,200
Value of Permits	176,421

POLICE DIVISION

Number of Stations	3
Number of Substations.....	3
Number of Employees with Arrest Power	686
Number of Neighborhood Offices	7

FIRE DIVISION

Number of Stations	17
Number of Firefighters	510

WATER SYSTEM

Average Daily Consumption (Million Gallons Daily).....	78.8
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	1,140
Metered Services	131,279

SEWER SYSTEM

Average Daily Demand (Million Gallons Daily).....	64
Annual Wastewater Flow (Million Gallons)	28,834
Plant Capacity (Million Gallons Daily)	102
Communities Served	7
Population Served	346,000
Miles of Sewer Lines	960
Metered Services	102,000

RECREATION

Number of City Parks	145
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 4, 2005**