

CITY OF TOLEDO
Toledo, Ohio

**REPORTS ISSUED PURSUANT TO
THE OMB CIRCULAR A-133
December 31, 2005**



**Auditor of State
Betty Montgomery**

City Council
City of Toledo
One Government Center, Suite 2050
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the City of Toledo, Lucas County, prepared by Clifton Gunderson LLP, for the audit period January 1, 2005 through December 31, 2005. 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 black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 9, 2006

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

The Honorable Mayor Carleton S. Finkbeiner
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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 9, 2006. 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 no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 9, 2006.

The Honorable Mayor Carleton S. Finkbeiner
and Members of City Council
City of Toledo

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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 9, 2006

**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 Carleton S. Finkbeiner
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, 2005. 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.

In our opinion, 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, 2005.

The Honorable Mayor Carleton S. Finkbeiner
and Members of City Council
City of Toledo

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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the 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, 2005, and have issued our report thereon dated June 9, 2006. 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 9, 2006

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2005

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 Agriculture			
05 CIP EAB Canopy Restoration	10.652	-	\$ 41,893
U.S. Department of Commerce			
98 CIP Northcross	11.300	-	\$ 525,758
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 B-05-MC-39-0021 OTHER	32,500 444,737 5,172 116,969 4,201,629 4,625,825 (76)
Sub-Total CFDA 14.218			<u>9,426,756</u>
CDBG/State's Program	14.228	-	<u>133,676</u>
Emergency Shelter Grants Program	14.231	S03-MC-39-0021 S04-MC-39-0021	159,717 <u>178,732</u>
Sub-Total CFDA 14.231			<u>338,449</u>
Supportive Housing Program	14.235	S97-MC-39-0021 S01-MC-39-0021	77,908 <u>107,125</u>
Sub-Total CFDA 14.235			<u>185,033</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	228,509 50,995 648,320 142,860 <u>1,108,584</u>
Sub-Total CFDA 14.239			<u>2,179,268</u>
CDBG/Economic Development Initiative Grant	14.246	B-99-SP-OH-0250 B-00-SP-OH-0327 B-03-SP-OH-0327 - -	2,005 59,618 - 223,980 48,501
Sub-Total CFDA 14.246			<u>334,104</u>
CDBG/Jeep Project 108 Loan Guarantees	14.248	-	<u>19,440,000</u>
Lead Based Paint Hazard Control in Privately-Owned Housing	14.900	OH-LB-01-4799	<u>1,046,123</u>
Passed-through			
Lucas County Metropolitan Housing Authority Public and Indian Housing Drug Elimination Program	14.854	-	<u>105,286</u>
Total U.S. Department of HUD			<u>\$ 33,188,695</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2005

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 Interior			
02 CIP Savage Park	15.916	-	\$ 114,385
U.S. Department of Justice			
Direct Grants			
Office of National Drug Control Policy			
High Intensity Drug Trafficking Area Grant (HIDTA)	16.000	I3P0HP501	\$ 260,023
High Intensity Drug Trafficking Area Grant (HIDTA)		I4P0HP501	(15,742)
Sub-Total for CFDA 16.000			<u>244,281</u>
Bureau of Justice Assistance			
Local Law Enforcement Block Grants Program	16.592	-	371,122
		99-LB-VX-32W	2,749
		01-LB-BX-1785	81,537
		02-LB-BX-1646	1,461
		03-LB-BX-1976	258,361
		04-LB-BX-1976	110,370
Sub-Total for CFDA 16.592		05-LB-BX-1976	<u>11,505</u>
			<u>837,105</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>15,684</u>
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Justice and Delinquency Prevention/ Allocation to States	16.540	03-DG-B01-B1006	<u>19,646</u>
Office of Justice Programs/Bureau of Justice Assistance			
Byrne Formula Grant Program	16.579	03-WG-B01-B1012	22,836
		03-DG-B01-B1011	6,798
		04-JJ-DP2-0313	14,546
		04-DG-B01-B1011	25,000
		03-JJ-DP2-0313	2,727
Sub-Total for CFDA 16.579			<u>71,907</u>
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	02-DG-B02-B1002	26,416
		-	482
		04-D6-801-B1026	65,937
		03-DG-C01-B1021	4,669
		03-DG-B01-B1026	8,483
Sub-Total for CFDA 16.580			<u>105,987</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2005

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	03-WF-VA3-8841	\$ 9,639
		04-JJ-GA1-0319	11,000
		04-JJ-MO1-0317	15,359
		-	23,133
		02-WF-VA3-8841	11
		04-WF-VA3-8841	22,226
		02-DG-E01-81013	43,609
Sub-Total for CFDA 16.588			<u>124,977</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	-	<u>433,437</u>
Community Prosecution and Project Safe Neighborhoods	16.609	-	<u>15,963</u>
Community Capacity Development Office	16.595		
04 County MDC DUI Grant		-	18,097
05 Northriver Weed and Seed		-	48,030
2002 ONYX Grant		-	1,427
05 Step Program		-	52,985
LDC Grant		-	(110)
03 LDC Truancy Grant		-	(221)
06 Law Enforcement Overtime		-	12,313
2003 Lagrange Grant		-	1,710
2004 Lagrange Grant		-	(710)
Sub-Total for CFDA 16.595			<u>133,521</u>
Total U.S. Department of Justice			<u>\$ 2,002,508</u>
U.S. Department of Transportation:			
Passed-through			
Ohio Department of Transportation			
Highway Planning and Construction Grants	20.205		
04 CIP Byrne Road		-	\$ 2,224,966
05 CIP Summit Street/Washington		-	750,000
MLK Rehabilitation Projects		-	9,450,393
Airport Hwy (80/20)		-	477,075
Centralized Traffic Control		-	564,125
Traffic Control		-	591,465
02 CIP Monroe Street Improvements		-	(92,632)
03 CIP Miami Street Improvements		-	122,788
04 CIP Byrne Road		-	2,110,131
Laskey Road		-	1,370,183
Sub-Total for CFDA 20.205			<u>17,568,494</u>
Ohio Department of Highway Safety			
State and Community Highway Safety	20.600		
05 Ohio Safe Commute Program		-	13,773
06 Ohio Safe Commute Program		-	12,505
Sub-Total for CFDA 20.600			<u>26,278</u>
Total U.S. Department of Transportation			<u>\$ 17,594,772</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2005

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	\$ 14,075
Brownfield Job Training Development Pilot Grant		BT-97535501	64,832
04 Petroleum Remediation		-	2,470
04 Hazardous Sub Revolving		-	2,307
Brownfield Petroleum		-	223,061
04 Petroleum Assessment		-	8,101
04 Non-Petroleum Assessment		-	8,609
Brownfield Petroleum Cleanup		-	2,748
Smart Growth in Brownfield		-	45,215
Sub-Total for CFDA 66.811			<u>371,418</u>
Passed-through			
Ohio Environmental Protection Agency			
Air Pollution Control Program Support	66.001	-	(8,222)
Air Pollution Control Program Support		-	197,432
Air Pollution Control Program Support		-	100,040
Sub-Total for CFDA 66.001			<u>289,250</u>
Capitalization Grants for State Revolving Funds			
Ohio Water Development Authority	66.458	-	<u>21,846,232</u>
Total U.S. EPA			<u>\$ 22,506,900</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2005

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	-	\$ 85,896
Passed-through			
State Department of Health			
Bioterrorism Training and Curriculum Development			
Public Program	93.996		
EMS Training and Equipment		-	1,000
MMRS Grant 2005		-	1,905
ODH		-	133,820
WMD Training		-	954
2003 Regional Medical Response System		-	8,800
Sub-Total for CFDA 93.996			<u>146,479</u>
Preventive Health and Health Services Block Grant	93.991	-	<u>1,178</u>
Total U.S. Department of Health and Human Services			<u><u>\$ 233,553</u></u>
U.S. Department of Homeland Security:			
Direct Grant			
Assistance from Filters Grant	97.004	-	\$ 68,683
2004 MMRS Grant	97.042	-	<u>34,458</u>
Total U.S. Department of Homeland Security		-	<u><u>\$ 103,141</u></u>
Total Federal Awards Expended			<u><u>\$ 76,311,605</u></u>

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	\$ 9,502,218
Emergency Shelter Grants	14.231	280,994
Supportive Housing Grants	14.235	272,469
Home Investment Partnership Programs	14.239	2,249,166
Economic Development Initiative Grant	14.246	645,712
Department of Justice/Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council:		
Juvenile Justice and Delinquency Prevention	16.540	<u>20,539</u>
	Total Passed Through	<u>\$ 12,971,098</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? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weakness(es)? yes none reported

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

Unqualified

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

yes no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.239	HOME Investment Partnership Program
16.590	Grants to Encourage Arrest Policies
20.205	Highway Planning and Construction Grants
66.458	Capitalization Grants for State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$ 1,706,148

Auditee qualified as low-risk auditee? yes no

Section II—Financial Statement Findings

None.

Section III—Federal Award Findings and Questioned Costs

None.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2005

**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

The grant agreement required any funds and interest that remain unobligated at end of the 24 months from the date of initial payment shall be returned to Bureau of Justice Assistance within 27 months of the initial payment of the grant and a final report is due 90 days after the end date of the grant. The City had not submitted unobligated funds within 27 months of the initial payment of the grant year 2002. A final report had not been submitted for grant year 2002.

Status

The closeout and reconciliation has been completed and the unobligated funds were returned to the Department of Justice Assistance. The Police Department now has a grant coordinator whose responsibilities include monitoring all grants.

This finding has been corrected.

Reference 04-2 – Reporting for Highway Planning and Construction Grants

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

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. The City maintains subprogram accounts for both federal and nonfederal 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.

Status

The Administrative Operations Officer (AOO) of Streets, Bridges and Harbor now verifies the proper distribution of funds for payment with the month *Encumbrance Reports* and *Fund Balance Reports* supplied by the City Finance Department.

During our 2005 testing, we did not identify any current year expenditures that were incorrectly recorded in the improper subprogram within the general ledger system.

This finding has been corrected.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2005

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 now meet with the City Finance Department at the end of the year to verify all payments, disbursements and required adjustments are appropriately posted.

This finding has been corrected.

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

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

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

Status

The Division of Environmental Services now submits accurate and timely quarterly reports.

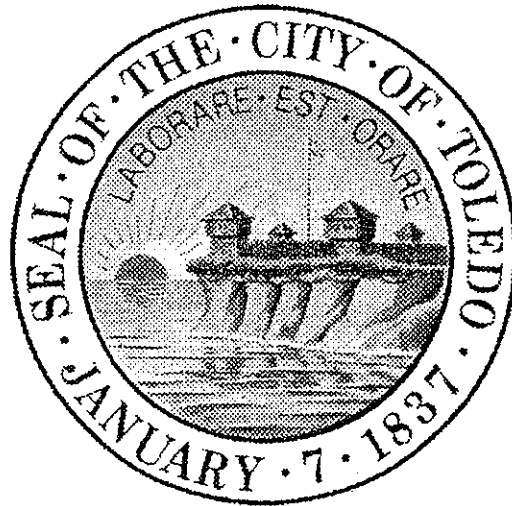
This finding has been corrected.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

DEPARTMENT OF FINANCE



Together we can!

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

DEPARTMENT OF FINANCE



PREPARED BY:

THE DEPARTMENT OF FINANCE

JOHN SHERBURNE, FINANCE DIRECTOR

INTRODUCTORY SECTION

**CITY OF TOLEDO, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2005
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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**CITY OF TOLEDO, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**CITY OF TOLEDO, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2005
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CITY OF TOLEDO



Carleton S. Finkbeiner Mayor

June 30, 2006

Honorable Mayor Carleton S. Finkbeiner, Robert Ludeman, President
and Members of City Council and Citizens of the City of Toledo, Ohio

FORMAL TRANSMITTAL

We are pleased to submit the 2005 Comprehensive Annual Financial Report of the City of Toledo, for the year ended December 31, 2005. 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 2005 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.

PROFILE OF THE GOVERNMENT

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.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC 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. 135,500 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 880 regular employees at the hub facility.

The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo area remains the home of four of the nation's largest glass manufacturing companies, Owens-Illinois, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey, Inc., earning the City the title of the "Glass Capital of the World", and DaimlerChrysler AG, General Motors Corporation and Dana Corporation also continue to be major

employers in the Toledo MSA. The Toledo MSA is also one of the larger oil refining centers between Chicago and the eastern seaboard, with BP Oil Co. and Sun Refining and Marketing each operating a major refinery in the MSA. In recent years, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA.

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

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

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 begin an economic renaissance. The challenge is to attract vibrant new businesses while also offering creative solutions for maintaining our existing employment base. Simultaneously, with a cooperative spirit, we labor to make the Toledo region a center for entertainment, sports, culture, education and technology. We continue to make progress toward these goals.

In 2005, Dana Corporation 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 currently employs 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.

In 2005, the owners of Westfield Shoppingtown Franklin Park Mall completed a major capital improvement and expansion project at that Mall, which is the largest shopping center in the City. The \$113 million project included demolition of a closed department store building and construction of a new two-story wing and two parking garages. The new wing includes 238,000 square feet of space for specialty stores, restaurants and a 16-screen theater complex.

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 2005. The Toledo MSA population is anticipated to remain through 2006 at an estimated 619,000.

DaimlerChrysler AG (DaimlerChrysler), with its Jeep Corporation subsidiary the largest manufacturing employer in the City, is currently engaged in the second major expansion and improvement project at its Stickney Avenue (Toledo North) Plant and related facilities to occur in the past ten years. The initial project, completed in early 2001, involved the renovation and expansion of the Plant into a 1.1 million square foot manufacturing facility, part of an announced \$1.2 billion capital program in the City begun by DaimlerChrysler in 1997.

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 as scheduled in 2006.

In February 2006, General Motors Corporation announced that it intends to produce a new six-speed, rear-wheel drive automatic transmission at its GM Powertrain Division's Alexis Road transmission plant and that it will make major capital investments in that plant to prepare it for that production. The plant improvements are estimated to cost \$505 million, including \$100 million for a 400,000 square foot expansion and renovation of existing facilities, \$363 million for new machinery, equipment and special tooling and \$42 million for certain related operating expenses. The Corporation advised that at least 2,500 jobs would be preserved at the plant as a result of the project

and that by 2013 production of four-speed transmissions at the plant will likely be phased out. The City has agreed to provide certain roadway, storm water drainage and waterline improvements in support of the expansion. The City estimates that those improvements will cost \$3.6 million and expects to utilize (i) approximately \$1.6 million of City funds, and (ii) proceeds of a \$2.0 million grant from the State to pay the cost. The State is providing certain other grants and tax incentives to General Motors. Work on the project and related infrastructure improvements is expected to commence in 2006.

In 2005, Mercy Health Partners commenced a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The Medical Center 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 now expected to be completed in 2007. The expansion is expected to result in the creation of more than 60 permanent jobs at the Center.

In 2005, the ProMedica Health System began implementing 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. The first phase, estimated to cost \$200 million, includes operating rooms, diagnostic areas, intensive care units and patient rooms. 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 City and the Port Authority have assembled, remediated and otherwise prepared a 125-acre former industrial site in the City's Marina District bounded by the Maumee River, Interstate 280, Front Street and Main Street. The costs of the assembly and remediation have been paid from a variety of sources, including more than \$8 million from the City's Capital Improvement Fund, \$2.7 million from the City's Sewer and Water Revenue Funds, proceeds of a \$5.5 million borrowing, \$6.0 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 assembled a local team composed of local agencies and developers and City officials to coordinate development of the site, replacing a consortium of developers that had previously been selected. The City now contemplates that the site will be developed with a mix of uses including single- and multi-family residential buildings, condominiums, apartments, restaurants, entertainment venues, a 180-slip municipal marina, a passenger terminal for Great Lakes cruise ships, park and open spaces and, eventually, retail establishments. The City is considering plans for the construction of a 5,000- to 7,000-seat amphitheater in the development.

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 has obtained all required approvals and permits to proceed with the plant

that would provide approximately 200 jobs. The U.S. Coking Group is working to finalize commercial and transportation agreements with the transportation company that is the current lessee of the property to be developed. The Group expects to finalize these agreements by June 30, 2006, and to close its financing for the project promptly thereafter. The City and the City of Oregon have agreed to create a joint economic development zone including the site, provide supporting infrastructure and services and share certain income tax revenues for a 40-year period.

In January 2003, the Toledo City School 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 in excess of \$25 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 programs, as well as for its displays of traveling exhibits. In 2001, the Museum of Art celebrated its 100th anniversary and reported that it has received pledges of \$40 million toward the \$60 million goal of a capital campaign. In the past four 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 Glass Pavilion, celebrating the City's role as the Glass City.

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 9,000 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.

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.

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

The City is the home to the Toledo Mud Hens, a Class AAA professional baseball team whose parent club is the Detroit Tigers. In 2002, a 10,000-seat County-owned baseball stadium for the Mud Hens opened in the Warehouse District of the Downtown area of the City. The stadium's design is architecturally compatible with other buildings in that District. Its \$41 million cost was paid from proceeds of a \$5.4 million grant from the State, \$26 million of revenue bonds issued by the County, monies raised from the sale of loges and premium seating, and other available funds from the County.

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.

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, 2005, the City had a number of debt issues outstanding. These issues included \$141,321 of General Obligation Bonds and Notes. Of this, \$10,450 is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy and \$34,878 is supported by other revenue sources. In addition, the City also had outstanding \$141,141 of Revenue Debt and \$36,500 of Special Revenue Notes.

The City's General Obligation Note Program continued on a competitive bid basis for unenhanced and unrated notes. Currently, \$16,375 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 2005 program was funded in the same manner. This has reduced financing costs.

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 \$128,474 is well below the limits of \$240,329 of unvoted direct debt and \$458,810 of direct debt.

During 2005, 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 (total return) on investments for 2005 was 2.9%. The City's investment performance compares favorably with the average yield on twelve month U.S. Treasury securities at 2.3%. The City earned interest income of \$7,561 on all investments for the year ending December 31, 2005. 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 administrator, workers' compensation manager, loss control specialists and the Joint Union and Management Safety and Health Committee. The responsibility of the risk management administrator includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognizant of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration, 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.

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 2005 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 through 1995 are now terminated and payment has been remitted to the State. During 2003 through 2005, 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 eighteenth 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 2005 basic financial statements.

AWARDS AND ACKNOWLEDGEMENTS

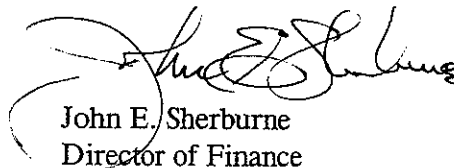
Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2004. This is the twenty-second year since 1982 that the City has received 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,



John E. Sherburne
Director of Finance

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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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

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

MAYOR

CARLETON S. FINKBEINER

MEMBERS OF COUNCIL

<u>NAME</u>	<u>LENGTH OF SERVICE</u>
<u>At-Large Seats</u>	
Philip Copeland	One Year, Five Months
Betty Shultz	Twelve Years
Lourdes Santiago	One Month
George Sarantou	Four Years
Francis J. Szollosi	Three Years
Mark Sobczak	Five Months
<u>District Seats</u>	
1. Wilma D. Brown (West-Central)	Eight Years
2. Rob Ludeman (South-West), President	Twelve Years
3. Michael Craig (East Toledo-Historic South)	One Month
4. Michael Ashford (Central City)	Four Years
5. Ellen M. Grachek (North-West)	Three Years
6. Joe Birmingham (North Toledo-Point Place)	Five Months

CLERK OF COUNCIL

Gerald E. Dendinger

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**FINANCIAL
SECTION**



**Clifton
Gunderson LLP**

Certified Public Accountants & Consultants

Independent Auditor's Report

The Honorable Mayor Carleton S. Finkbeiner
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, 2005, 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, 2005, 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 9, 2006 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 F110 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 9, 2006

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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, 2005. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The general fund reported a fund balance of \$11 million at the end of the current fiscal year. There was a \$1 million increase in the total general fund balance for the year ended December 31, 2005.
- The assets of the City of Toledo exceeded its liabilities at the close of 2005 by \$709 million. Of this amount, \$(12) million is considered unrestricted. Included in governmental activities liabilities in the Statement of Net Assets in Other Debt, totaling \$275 million, is debt for pensions in the amount of \$10 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 \$16 million. The combined governmental funds fund balance decreased \$13 million from the prior year's ending fund balance. Approximately \$(61) million of the \$12 million fund balance is considered unreserved at December 31, 2005.
- The City's total debt increased by \$92 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 primarily includes two enterprise activities: water and 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 (including statement reconciliations) 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-87 through F-175 of this report.

Table 1:

City of Toledo									
Net Assets									
(amounts expressed in thousands)									
	Governmental activities			Business-type Activities			Total	Total	Increase/
	2005	2004	Increase/ (Decrease)	2005	2004	Increase/ (Decrease)	2005	2004	(Decrease)
Current and other assets	\$191,048	\$186,003	\$5,045	\$191,653	\$242,666	(\$51,013)	\$382,701	\$428,669	(\$45,968)
Capital assets	460,152	424,931	35,221	509,052	430,841	78,211	969,204	855,772	113,432
Total Assets	\$651,200	\$610,934	\$40,266	\$700,705	\$673,507	\$27,198	\$1,351,905	\$1,284,441	\$67,464
Long-term liabilities outstanding	219,268	221,359	(2,091)	266,340	189,846	76,494	485,608	411,205	74,403
Other liabilities	103,489	86,754	16,735	53,338	119,599	(66,261)	156,827	206,353	(49,526)
Total liabilities	\$322,757	\$308,113	\$14,644	\$319,678	\$309,445	\$10,233	\$642,435	\$617,558	\$24,877
Net assets	\$328,443	\$302,821	\$25,622	\$381,027	\$364,062	\$16,965	\$709,470	\$666,883	\$42,587
Invested in capital assets, net of related debt	\$280,486	\$243,683	\$36,803	\$224,105	\$229,170	(\$5,065)	\$504,591	\$472,853	\$31,738
Restricted	47,957	59,138	(11,181)	169,220	143,156	26,064	217,177	202,294	14,883
Unrestricted	-	-	-	(12,298)	(8,264)	(4,034)	(12,298)	(8,264)	(4,034)
Total net assets	\$328,443	\$302,821	\$25,622	\$381,027	\$364,062	\$16,965	\$709,470	\$666,883	\$42,587

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 \$709 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.

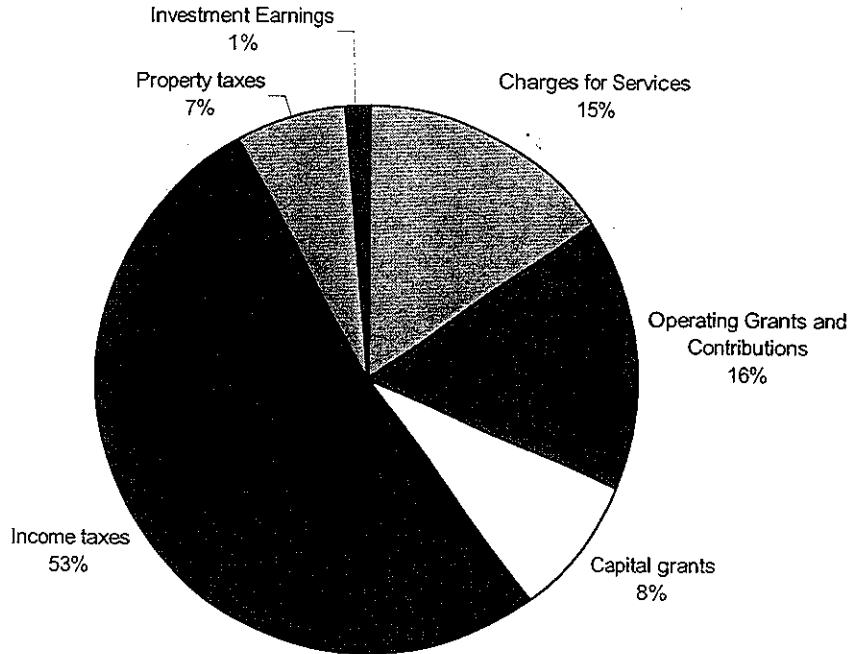
An additional portion of the City's net assets (30 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets is \$(12.3) million. The net assets of the City's business-type activities (\$381 million) may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$10 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2005. Comparison data for 2004 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/
	2005	2004	(Decrease)	2005	2004	(Decrease)	2005	2004	(Decrease)
Revenues:									
Program Revenues:									
Charges for Services	\$46,722	\$39,488	\$7,234	\$102,066	\$91,452	\$10,614	\$148,788	\$130,940	\$17,848
Operating Grants and Contributions	49,406	51,604	(2,198)	-	-	-	49,406	51,604	(2,198)
Capital grants	25,779	12,236	13,543	-	-	-	25,779	12,236	13,543
General Revenues:									
Income taxes	160,683	155,243	5,440	-	-	-	160,683	155,243	5,440
Property taxes	20,136	21,444	(1,308)	-	-	-	20,136	21,444	(1,308)
Investment Earnings	4,153	2,570	1,583	3,282	2,248	1,034	7,435	4,818	2,617
Other	273	2,702	(2,429)	5,494	1,102	4,392	5,767	3,804	1,963
Total Revenues	\$307,152	\$285,287	\$21,865	\$110,842	\$94,802	\$16,040	\$417,994	\$380,089	\$37,905
Expenses									
General government	\$25,960	\$26,721	(\$761)	-	-	-	\$25,960	\$26,721	(\$761)
Public Service	52,706	48,204	4,502	-	-	-	52,706	48,204	4,502
Public Safety	153,084	151,217	1,867	-	-	-	153,084	151,217	1,867
Public Utilities	-	808	(808)	-	-	-	-	808	(808)
Community Environment	14,895	17,918	(3,023)	-	-	-	14,895	17,918	(3,023)
Health	17,639	17,030	609	-	-	-	17,639	17,030	609
Parks & Recreation	7,345	7,765	(420)	-	-	-	7,345	7,765	(420)
Interest on Fiscal Charges	8,973	9,408	(435)	-	-	-	8,973	9,408	(435)
Water	-	-	-	34,369	30,356	4,013	34,369	30,356	4,013
Sewer	-	-	-	41,217	38,334	2,883	41,217	38,334	2,883
Other Enterprise Funds	-	-	-	19,218	17,837	1,381	19,218	17,837	1,381
Total Expenses	\$280,602	\$279,071	\$1,531	\$94,804	\$86,527	\$8,277	\$375,406	\$365,598	\$9,808
Increase in net assets before transfers	26,550	6,216	20,334	16,038	8,275	7,763	42,588	14,491	28,097
Transfers	(927)	462	(1,389)	927	(462)	1,389	-	-	-
Increase in net assets	25,623	6,678	18,945	16,965	7,813	9,152	42,588	14,491	28,097
Net asset – January 1 st	\$302,821	\$296,143	\$6,678	\$364,062	\$356,249	\$7,813	\$666,883	\$652,392	\$14,491
Net asset – December 31 st	\$328,444	\$302,821	\$25,623	\$381,027	\$364,062	\$16,965	\$709,471	\$666,883	\$42,588

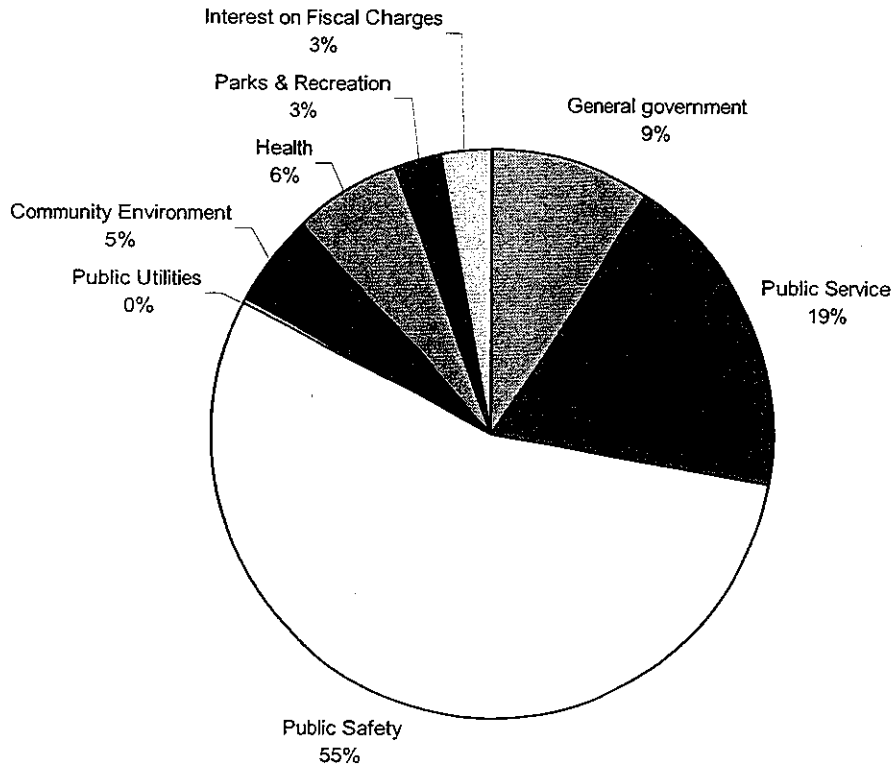
Revenues by Source - Governmental Activities



Governmental activities. Income tax revenue accounts for \$160,683 of the \$307,152 total revenue for governmental activity, or 53% of total revenue. Property taxes and Assessments account for \$20,136 or 7% of total revenue and operating grants of \$49,406 account for 16% of total governmental revenue.

The City's charges for services made up \$46,722 or 15% 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 \$153,085 of the \$280,602 total expenses for governmental activities, or 55% of total expenses. The next largest program is Public Service, accounting for \$52,706 representing 19% of total governmental expenses.

Business-type activities. The net assets for the business-type activities for the City increased by \$16,965 during the year 2005. Major revenue sources were charges for service of \$102,066 which increased approximately \$11 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, 2005, the City's governmental funds reported combined ending fund balances of \$16 million, a decrease of \$13 million in comparison with the prior year. Approximately \$(61) 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, 2005, total fund balance was \$11 million.

The fund balance of the City's general fund increased by \$1 million during 2005. Key factors in this increase are as follows:

- Revenues increased \$7 million or 3 percent. Expenditures increased by \$3 million or 1 percent.
- The increase in revenues is attributed to an increase in income tax revenues for 2005.

The capital improvement fund has a total fund balance of \$32 million. The net decrease in fund balance during 2005 in this fund was approximately \$11 million. This is due to an increase in capital outlay for capital improvement throughout the year.

The special assessment services fund has a total fund balance of \$(43) million. The net decrease in fund balance during 2005 in this fund was approximately \$3 million. Receivables of \$48 million for Special Assessments are offset by the same amount of Deferred Revenue; thus making the actual fund balance positive \$5. There was a slight increase in all services to cause a slight increase in the fund balance deficit.

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 \$(18) million and unrestricted net assets for the Sewer System was \$(10) million. The increase in net assets for these were \$5 million and \$6 respectively.

The Water fund maintained all significant ratios including a Current Ratio of 2.6, Debt to Net Worth of 1.1, Long Term Debt to Total Capitalization of .73, and Debt Service Coverage Ratio of 2.0.

The Sewer fund maintained its significant ratios including Current Ratio of 1.7, Debt to Net Worth of .9, Long Term Debt to Total Capitalization of .71, and Debt Service Coverage Ratio of 2.6.

Water revenue increased 10 percent to \$37 million. Operating expenses for the water utility increased 15 percent largely due to increased contractual services.

Sewer revenue increased 9 percent. At the same time operating expenditures in the sewer utility increased 7 percent due to an increase in contractual 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

There was no significant difference in the grand total of the final general fund budget as compared to the original budget, remaining at 224 million. Decreases were made in the major service areas due to the elimination of positions, not filling vacancies, reduction in overtime, and other cost cutting measures, but these were offset by an increase in operating transfers to other funds. There were no significant variations between the final approved budget and final actual expenditures.

The following schedule presents a summary of General Fund revenues for the year ended December 31, 2005, 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	2005 Amount	% of Total	Increase (Decrease) from 2004	Percent Increase (Decrease)
Income Taxes	\$160,683	70.9	\$ 5,440	3.5
Property Taxes	17,231	7.6	25	-
Licenses & Permits	2,967	1.3	518	21.2
Intergovernmental Services	23,261	10.3	147	0.6
Charges for Services	12,806	5.7	(108)	(0.1)
Investment Earnings	2,185	1.0	1,068	95.6
Fines and Forfeitures	5,176	2.3	517	11.1
All Other Revenues	710	0.3	(184)	(20.6)
Other Financing Sources and Transfers In	1,542	0.7	(508)	(25.0)
Total Revenues & Other Financing Sources	\$226,561	100.0	\$6,915	3.2

Municipal Income Tax revenue increased 3.5% in 2005 from 2004. The increase can be attributed primarily to the fact that economic conditions in 2005 improved over 2004.

The increase in Investment Earnings is a direct result of increased interest rates. Most other revenue sources showed increases, reflecting stable recovery in economic activity.

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2005 and the percentage of increases and decreases in relation to prior year's amounts. Amounts in thousands.

Table 4:

Expenditures and Other Uses	2005 Amount	% of Total	Increase (Decrease) from 2004	Percent Increase (Decrease)
General Government	\$16,479	7.3	\$ (1,338)	(7.5)
Public Service	1,571	0.7	34	2.2
Public Safety	147,101	65.3	3,495	2.4
Public Utilities	0	0.0	(20)	0.0
Community Environment	5,005	2.2	(21)	(0.4)
Health	14,674	6.5	611	4.3
Parks & Recreation	3,328	1.5	(557)	(14.3)
Capital Outlay	529	0.2	(83)	(13.6)
Principal Retirement	2,026	0.9	690	51.6
Interest & Fiscal Charges	1,161	0.5	192	19.8
Other Financing Uses and Transfers Out	33,268	14.8	(1,721)	(5.0)
Total	\$225,142	100.0	\$1,282	0.6

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 increase 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 \$10,771 of which \$609 is reserved for encumbrances, \$939 is reserved for inventories, \$134 is designated for subsequent years activity and \$65 is reserved for prepaids, and \$6,413 is unreserved.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. The City did not 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. The fund increased from \$4.6 million at December 31, 2004 to \$5.4 million at December 31, 2005.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2005, amounts to \$969 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 2005 was 27 percent (an 9 percent increase for governmental activities and an 18 percent increase for business-type activities).

Table 5:

City of Toledo						
Capital Assets, net of depreciation.						
(amounts expressed in thousands)						
	Governmental activities includes Internal Service		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$25,131	\$25,131	\$10,874	\$10,458	\$36,005	\$35,589
Buildings	14,110	16,816	27,509	28,087	41,619	44,903
Improvements other than buildings	30,872	30,345	30,097	28,210	60,969	58,555
Machinery and equipment	35,689	36,130	44,493	43,427	80,182	79,557
Infrastructure	354,350	316,509	217,907	208,181	572,257	524,690
Construction in progress	-	-	178,172	112,478	178,172	112,478
Total	\$460,152	\$424,931	\$509,052	\$430,841	\$969,204	\$855,772

Major capital asset events during 2005 included the following:

- Total capital assets, net of accumulated depreciation, increased \$113 million.
- Business-type activity capital assets increased by \$78 million.
- Governmental activity capital assets increased by \$35 million.

Additional information on the City's capital assets can be found in Note 7 on pages F-61 through F-64 of this report.

Long-term debt. At December 31, 2005, the City, the primary government, had \$551 million of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$125 million and \$16 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	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds and notes	\$116,638	\$113,119	\$24,683	\$25,708	\$141,321	\$138,827
Revenue bonds and notes	36,500	35,600	141,141	113,074	177,641	148,674
Total	\$153,138	\$148,719	\$165,824	\$138,782	\$318,962	\$287,501

Total long-term bonds and loans outstanding at December 31, 2005 increased over December 31, 2004 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, 2005 the City's total net debt amounted to 8 % of the total assessed value of all property within the City. Unvoted net debt amounted to 3 % of the total assessed value of all property within the City. The City had a legal debt margin for total debt of \$111,855 and a legal debt margin for unvoted debt of \$330,335. 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 F65 through F-74 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 2006 budget. While the national economy is slowly improving, Toledo's economy is rebounding at a slower pace. Our income tax revenues, which are the largest source of revenue for our General Fund, grew at an overall 3.5% rate during 2005. The City has seen a renewed activity in the reported business net profits classification of tax collecting increasing by 13.1% over the 2004 collections.

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. The City is in process of reviewing several areas of providing services. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City and County along with several other Municipalities and Townships have agreed to participate in a County wide Economic Development program known as the Lucas County Investment Corporation which will provide county wide Economic Development Initiatives. 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 2006 is \$235 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 One Government Center, Suite 2020, Toledo, OH 43604.

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BASIC FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS and OTHER DEBITS			
Equity in Pooled Cash	\$ 19,011	\$ 34,768	\$ 53,779
Other Cash	37	339	376
Investments	35,464	141,097	176,561
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	33,929	---	33,929
Accounts	9,369	27,052	36,421
Special Assessments	50,861	---	50,861
Notes	---	18,002	18,002
Interfund Receivable	36,690	(36,690)	---
Due from Other Governments	---	344	344
Prepaid Expenditures and Expenses	324	238	562
Inventory of Supplies	5,056	3,129	8,185
Capital Assets Not Being Depreciated	25,131	189,046	214,177
Capital Assets Being Depreciated (Net)	435,021	320,006	755,027
Deferred Debt Issuance Cost	307	3,374	3,681
	<u>\$ 651,200</u>	<u>\$ 700,705</u>	<u>\$1,351,905</u>
Total Assets and Other Debits	<u>\$ 651,200</u>	<u>\$ 700,705</u>	<u>\$1,351,905</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
LIABILITIES			
Accounts Payable	\$ 9,720	\$ 13,575	\$ 23,295
Escrow	17,147	14,324	31,471
Retainages	2,004	4,375	6,379
Interfund Payable	---	---	---
Due to Other Governments	19	---	19
Deferred Revenue	---	---	---
Other Current Liabilities	18,470	2,456	20,926
Other Debt:			
Due within One Year	56,129	18,608	74,737
Due in More Than One Year	<u>219,268</u>	<u>266,340</u>	<u>485,608</u>
 Total Liabilities	 <u>322,757</u>	 <u>319,678</u>	 <u>642,435</u>
 NET ASSETS			
Invested in capital assets, net of related debt	280,486	224,105	504,591
Restricted for:			
Special Assessments	4,036	---	4,036
Debt Service	---	14,764	14,764
Replacement	---	53,622	53,622
Capital Improvements	29,869	100,834	130,703
Special Revenue	13,362	---	13,362
Non-Expendable Funds:			
Permanent Fund	690	---	690
Unrestricted	<u>---</u>	<u>(12,298)</u>	<u>(12,298)</u>
 Total Net Assets	 <u>\$ 328,443</u>	 <u>\$ 381,027</u>	 <u>\$ 709,470</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, 2005
(AMOUNTS IN THOUSANDS)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government:							
General Government	\$ 25,960	\$ 28,584	\$ 35,250	\$ 189	\$ 38,063	\$ ---	\$ 38,063
Public Service	52,706	19	---	2,212	(50,475)	---	(50,475)
Public Safety	153,085	9,436	2,207	82	(141,360)	---	(141,360)
Public Utilities	---	158	---	---	158	---	158
Community Environment	14,895	6,727	10,912	23,296	26,040	---	26,040
Health	17,638	1,377	1,037	---	(15,224)	---	(15,224)
Parks and Recreation	7,345	421	---	---	(6,924)	---	(6,924)
Interest and Fiscal Charges	8,973	---	---	---	(8,973)	---	(8,973)
Total Governmental Activities	\$ 280,602	\$ 46,722	\$ 49,406	\$ 25,779	\$ (158,695)	\$ ---	\$ (158,695)
Business-Type Activities:							
Water	34,369	37,326	---	---	---	2,957	2,957
Sewer	41,217	43,551	---	---	---	2,334	2,334
Storm Utility	7,018	8,637	---	---	---	1,619	1,619
Utilities Administration	8,099	10,288	---	---	---	2,189	2,189
Parking	1,100	1,435	---	---	---	335	335
Property Management	2,640	264	---	---	---	(2,376)	(2,376)
Small Business Development/Exp. Trust	47	38	---	---	---	(9)	(9)
Tow Lot	314	527	---	---	---	213	213
Total Business-Type Activities	94,804	102,066	---	---	---	7,262	7,262
Total Primary Government	\$ 375,406	\$ 148,788	\$ 49,406	\$ 25,779	\$ (158,695)	\$ 7,262	\$ (151,433)
General Revenues:							
Taxes:							
Income Taxes					160,683	---	160,683
Property Taxes					20,136	---	20,136
Unrestricted Investments Earnings					4,153	3,282	7,435
Gain on Sale of Capital Assets and Other Revenue/Grants					273	5,494	5,767
Transfers					(927)	927	---
Total General Revenues, Special Items and Transfers					184,318	9,703	194,021
Changes in Net Assets					25,623	16,965	42,588
Net Assets-Beginning					302,821	364,062	666,883
Net Assets-Ending					\$ 328,444	\$ 381,027	\$ 709,471

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

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**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
ASSETS			
Equity in Pooled Cash	\$ 127	\$ ---	\$ ---
Other Cash	35	---	---
Investments	2,943	17,865	6,569
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	34,278	---	---
Accounts	1,545	4,136	21
Special Assessments	---	---	48,323
Interfund Receivable	13,169	25,036	877
Prepays	65	258	---
Inventory of Supplies	938	1,193	1,371
Total Assets	<u>\$ 53,100</u>	<u>\$ 48,488</u>	<u>\$ 57,161</u>
LIABILITIES			
Accounts Payable	892	5,780	419
Escrow	13,248	240	877
Retainages	---	1,942	---
Interfund Payable	8,830	---	13,606
Due to Other Governments	---	---	17
Deferred Revenue	17,292	---	48,323
Other Current Liabilities	2,067	---	20
Debt:			
Notes Payable	---	8,790	36,500
Total Liabilities	<u>\$ 42,329</u>	<u>\$ 16,752</u>	<u>\$ 99,762</u>
FUND BALANCES			
Fund Balances (Deficit):			
Reserved for Encumbrances	609	45,375	933
Reserved for Inventory of Supplies	939	1,193	1,371
Reserved for Capital Improvements	---	14,527	---
Reserved for Debt Service	---	---	---
Reserved for Prepays	65	258	---
Reserved for Landfill Remediation	2,745	---	---
Unreserved, Reported In:			
General Fund--Designated for Future Years' Expenditures	134	---	---
General Fund--Designated for Budget Stabilization	5,418	---	---
Permanent	---	---	---
Capital Projects Funds	---	(29,617)	---
Special Revenue Funds	---	---	(44,905)
Unreserved	861	---	---
Total Fund Balances	<u>10,771</u>	<u>31,736</u>	<u>(42,601)</u>
Total Liabilities and Fund Balance	<u>\$ 53,100</u>	<u>\$ 48,488</u>	<u>\$ 57,161</u>

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

**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Equity in Pooled Cash	\$ 6,794	\$ 6,921
Other Cash	1	36
Investments	3,930	31,307
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	---	34,278
Accounts	3,605	9,307
Special Assessments	2,538	50,861
Interfund Receivable	6,916	45,998
Prepays	---	323
Inventory of Supplies	755	4,257
Total Assets	<u>\$ 24,539</u>	<u>\$ 183,288</u>
LIABILITIES		
Accounts Payable	1,266	8,357
Escrow	1,507	15,872
Retainages	62	2,004
Interfund Payable	1,614	24,050
Due to Other Governments	2	19
Deferred Revenue	2,538	68,153
Other Current Liabilities	31	2,118
Debt:		
Notes Payable	1,780	47,070
Total Liabilities	<u>\$ 8,800</u>	<u>\$ 167,643</u>
FUND BALANCES		
Fund Balances (Deficit):		
Reserved for Encumbrances	7,596	54,513
Reserved for Inventory of Supplies	755	4,258
Reserved for Capital Improvements	---	14,527
Reserved for Debt Service	38	38
Reserved for Prepays	---	323
Reserved for Landfill Remediation	---	2,745
Unreserved, Reported In:		
General Fund--Designated for Future Years' Expenditures	---	134
General Fund--Designated for Budget Stabilization	---	5,418
Permanent	694	694
Capital Projects Funds	(1,736)	(31,353)
Special Revenue Funds	8,392	(36,513)
Unreserved	---	861
Total Fund Balances	<u>15,739</u>	<u>15,645</u>
Total Liabilities and Fund Balance	<u>\$ 24,539</u>	<u>\$ 183,288</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, 2005
(AMOUNTS IN THOUSANDS)

Total governmental fund balances	\$	15,645
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.		446,229
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.		17,675
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.		307
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.		(219,558)
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>68,145</u>
Net assets of government activities	\$	<u>328,443</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, 2005
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Income Taxes	\$ 160,683	\$ ---	\$ ---	\$ ---	\$ 160,683
Property Taxes	17,231	---	---	---	17,231
Special Assessments	---	---	20,170	514	20,684
Licenses and Permits	2,967	93	---	11	3,071
Intergovernmental Services	23,261	25,780	---	26,145	75,186
Charges for Services	12,806	98	294	805	14,003
Investment Earnings	2,185	1,082	542	344	4,153
Fines and Forfeitures	5,176	---	---	904	6,080
All Other Revenue	710	447	---	1,725	2,882
Total Revenues	<u>\$225,019</u>	<u>\$ 27,500</u>	<u>\$ 21,006</u>	<u>\$ 30,448</u>	<u>\$ 303,973</u>
EXPENDITURES:					
Current:					
General Government	16,479	\$ ---	\$ 175	\$ 254	\$ 16,908
Public Service	1,571	---	21,619	11,045	34,235
Public Safety	147,101	---	---	3,081	150,182
Public Utilities	---	---	---	39	39
Community Environment	5,005	---	---	8,427	13,432
Health	14,674	---	536	1,390	16,600
Parks & Recreation	3,328	---	157	251	3,736
Capital Outlay	529	63,345	15	4,006	67,895
Debt Service:					
Principal Retirement	2,026	3,531	46	11,317	16,920
Interest & Fiscal Charges	1,161	2,214	1,471	4,100	8,946
Total Expenditures	<u>\$ 191,874</u>	<u>\$ 69,090</u>	<u>\$ 24,019</u>	<u>\$ 43,910</u>	<u>\$ 328,893</u>
Excess (Deficiency) of Revenues over Expenditures	<u>33,145</u>	<u>(41,590)</u>	<u>(3,013)</u>	<u>(13,462)</u>	<u>(24,920)</u>
Other Financing Sources (Uses):					
Transfers In	1,542	31,567	---	21,906	55,015
Transfers (Out)	(33,268)	(15,139)	---	(8,392)	(56,799)
Bond Issuance of Debt	---	11,000	---	---	11,000
Premiums on Bonds	---	122	---	16	138
Note Issuance of Debt	---	2,613	---	---	2,613
Sale of Capital Assets	11	56	---	68	135
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>\$ (31,715)</u>	<u>\$ 30,219</u>	<u>\$ ---</u>	<u>\$ 13,598</u>	<u>\$ 12,102</u>
Net Change in Fund Balance	1,430	(11,371)	(3,013)	136	(12,818)
Fund Balances (Deficit) at					
Beginning of Year	9,300	43,015	(39,316)	15,496	28,495
Increase in Reserve for Inventory	41	92	(272)	107	(32)
Fund Balance (Deficit) at Year-End	<u>\$ 10,771</u>	<u>\$ 31,736</u>	<u>\$ (42,601)</u>	<u>\$ 15,739</u>	<u>\$ 15,645</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, 2005
(AMOUNTS IN THOUSANDS)

Net change in fund balances – total governmental funds	\$	(12,818)
Change in Inventory		(32)

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 (\$67,895) exceeded depreciation (\$33,178) in the current period. 34,717

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,905

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. 1,020

The net loss of certain activities of internal service funds is reported with governmental activities. (167)

Change in net assets of governmental activities. \$ 25,623

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, 2005
 (AMOUNTS IN THOUSAND)**

Business-Type Activities – Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
ASSETS					
Current Assets					
Equity in Pooled Cash	\$ 13,811	\$ 17,585	\$ 3,372	\$ 34,768	\$ 12,091
Other Cash	199	140	---	339	---
Investments	90,427	29,883	20,788	141,098	4,156
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	7,173	18,153	1,728	27,054	59
Notes	---	---	18,003	18,003	---
Interfund Receivables	30,194	6,963	7,858	45,015	16,098
Due from Other Governments	28	195	121	344	---
Prepaid Expenses	125	64	49	238	---
Inventory of Supplies	2,428	692	9	3,129	799
Total Current Assets	<u>144,385</u>	<u>73,675</u>	<u>51,928</u>	<u>269,988</u>	<u>33,203</u>
Property, Plant and Equipment					
Land	1,762	163	8,949	10,874	350
Buildings	13,829	32,747	28,849	75,425	1,111
Improvements	11,467	51,519	7,722	70,708	335
Machinery and Equipment	23,690	78,380	1,392	103,462	58,124
Furniture and Fixtures	405	948	617	1,970	98
Distribution System	140,921	255,290	---	396,211	---
Construction in Progress	30,526	136,904	10,741	178,171	---
Less: Accumulated Depreciation	<u>(83,329)</u>	<u>(229,942)</u>	<u>(14,500)</u>	<u>(327,771)</u>	<u>(46,095)</u>
Net Property, Plant, and Equipment	<u>139,271</u>	<u>326,009</u>	<u>43,770</u>	<u>509,050</u>	<u>13,923</u>
Other Assets:					
Deferred Debt Issuance Cost	2,589	785	---	3,374	---
Total Assets	<u>\$ 286,245</u>	<u>\$400,469</u>	<u>\$ 95,698</u>	<u>\$782,412</u>	<u>\$ 47,126</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, 2005
 (AMOUNTS IN THOUSAND)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 2,598	\$10,849	\$ 129	\$ 13,576	\$ 1,362
Escrow	7,013	7,277	33	14,323	1,271
Retainages	178	4,079	119	4,376	---
Interfund Payable	44,803	19,341	17,561	81,705	1,354
Other Current Liabilities	<u>729</u>	<u>1,670</u>	<u>57</u>	<u>2,456</u>	<u>16,352</u>
Total Current Liabilities	<u>\$ 55,321</u>	<u>\$43,216</u>	<u>\$17,899</u>	<u>\$116,436</u>	<u>\$ 20,339</u>
Debt:					
Notes Payable	342	102,901	11,827	115,070	9,110
General Obligation Bonds Payable	---	---	26,183	26,183	---
Revenue Bonds Payable	96,433	44,711	---	141,144	---
Capital Lease Obligation	<u>---</u>	<u>---</u>	<u>2,553</u>	<u>2,553</u>	<u>---</u>
Total Long-Term Liabilities	<u>96,775</u>	<u>147,612</u>	<u>40,563</u>	<u>284,950</u>	<u>9,110</u>
Total Liabilities	<u>152,096</u>	<u>190,828</u>	<u>58,462</u>	<u>401,386</u>	<u>29,449</u>
NET ASSETS					
Invested in Capital Assets net of related debt:					
Reserved for Debt Service	42,497	178,397	3,210	224,104	4,813
Reserved for Replacement	9,153	5,281	330	14,764	---
Reserved for Improvement	30,130	22,307	1,184	53,621	2,001
Unrestricted	69,952	13,249	17,633	100,834	---
	<u>(17,583)</u>	<u>(9,593)</u>	<u>14,879</u>	<u>(12,297)</u>	<u>10,863</u>
Total Net Assets	<u>\$134,149</u>	<u>\$209,641</u>	<u>\$37,236</u>	<u>\$ 381,026</u>	<u>\$ 17,677</u>

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

11

**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (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	\$ 37,009	\$ 43,551	\$ 19,954	\$ 100,514	\$ 21,529
Other Revenue	<u>317</u>	<u>---</u>	<u>1,237</u>	<u>1,554</u>	<u>172</u>
Total Operating Revenues	<u>37,326</u>	<u>43,551</u>	<u>21,191</u>	<u>102,068</u>	<u>21,701</u>
Operating Expenses:					
Personal Services	10,849	12,492	9,905	33,246	5,438
Contractual Services	10,196	9,988	4,072	24,256	8,121
Materials and Supplies	3,835	1,696	760	6,291	5,424
Utilities	2,644	3,162	81	5,887	72
Depreciation and Amortization	<u>3,671</u>	<u>9,290</u>	<u>1,104</u>	<u>14,065</u>	<u>3,620</u>
Total Operating Expenses	<u>31,195</u>	<u>36,628</u>	<u>15,922</u>	<u>83,745</u>	<u>22,675</u>
Operating Income (Loss)	<u>6,131</u>	<u>6,923</u>	<u>5,269</u>	<u>18,323</u>	<u>(974)</u>
Nonoperating Revenues (Expenses):					
Investment Earnings	1,628	729	924	3,281	126
Interest Expense and Fiscal Charges	(3,174)	(4,589)	(2,355)	(10,118)	(264)
Federal Grants	766	3,009	---	3,775	---
Other Revenue (Expenses)	<u>155</u>	<u>77</u>	<u>545</u>	<u>777</u>	<u>87</u>
Total Nonoperating Revenues (Expenses)	<u>(625)</u>	<u>(774)</u>	<u>(886)</u>	<u>(2,285)</u>	<u>(51)</u>
Income (Loss) before Transfers	5,506	6,149	4,383	16,038	(1,025)
Transfers In	---	67	939	1,006	4,306
Transfers (Out)	<u>(13)</u>	<u>(16)</u>	<u>(50)</u>	<u>(79)</u>	<u>(3,448)</u>
Total Transfers In (Out)	<u>(13)</u>	<u>51</u>	<u>889</u>	<u>927</u>	<u>858</u>
Change in Net Assets	5,493	6,200	5,272	16,965	(167)
Net Assets at Beginning of Year	<u>128,656</u>	<u>203,441</u>	<u>31,964</u>	<u>364,061</u>	<u>17,844</u>
Net Assets at End of Year	<u>\$ 134,149</u>	<u>\$ 209,641</u>	<u>\$ 37,236</u>	<u>\$ 381,026</u>	<u>\$ 17,677</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, 2005
(Amounts in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity			
Receipts from Customers	\$35,669	\$ 33,820	\$ 20,454
Payments to Suppliers	(12,148)	11,778	(2,277)
Payments to Employees	(10,849)	(12,492)	(9,905)
Other Payments	<u>317</u>	<u>(408)</u>	<u>1,237</u>
Net Cash Provided by (Used for) Operating Activity	<u>12,989</u>	<u>32,698</u>	<u>9,509</u>
Cash Flows from Noncapital Financing Activities			
Operating Transfers In	--	67	939
Operating Transfers Out	<u>(13)</u>	<u>(16)</u>	<u>(50)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(13)</u>	<u>51</u>	<u>889</u>
Cash Flows from Capital & Related Financing Activities:			
Acquisition and Construction of Capital Assets	(14,970)	(72,214)	(5,095)
Principal Paid on Bond Maturities	(4,434)	(11,007)	(2,051)
Issuance of Revenue Bonds and Notes	34,850	58,641	2,835
Federal Grants	766	3,009	--
Interest Expense and Fiscal Charges	(3,174)	(4,589)	(2,355)
Proceeds from Sale of Capital Assets/Grants/Other Expenses	<u>--</u>	<u>--</u>	<u>1,725</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>13,038</u>	<u>(26,160)</u>	<u>(4,941)</u>
Cash Flows from Investing Activities:			
Purchase of Investment Securities	(85,013)	(53,442)	(96,475)
Sale and Maturities of Investment Securities	60,223	56,415	93,396
Investment Earnings and Dividends on Investments	1,628	729	924
Other Revenues (Expenses)	<u>155</u>	<u>77</u>	<u>(241)</u>
Net Cash Provided by (Used for) Investing Activities	<u>(23,007)</u>	<u>3,779</u>	<u>(2,396)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,007	10,368	3,061
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>11,003</u>	<u>7,357</u>	<u>309</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 14,010</u>	<u>\$ 17,725</u>	<u>\$ 3,370</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, 2005
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity		
Receipts from Customers	\$ 89,943	\$ 21,674
Payments to Suppliers	(2,647)	(27,493)
Payment to Employees	(33,246)	(5,437)
Other Payments	<u>1,146</u>	<u>263</u>
Net Cash Provided by (Used for) Operating Activity	<u>55,196</u>	<u>(10,993)</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In	1,006	4,306
Operating Transfers Out	<u>(79)</u>	<u>(3,448)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>927</u>	<u>858</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(92,279)	(4,126)
Principal Paid on Bond Maturities	(17,492)	(15,047)
Issuance of Revenue Bonds and Notes	96,326	18,220
Federal Grants	3,775	--
Interest Expense and Fiscal Charges	(10,118)	(263)
Proceeds from Sale of Capital Assets/Grants	<u>1,725</u>	<u>--</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(18,063)</u>	<u>(1,216)</u>
Cash Flows from Investing Activity:		
(Purchase) of Investment Securities	(234,930)	(23,103)
Sale and Maturities of Investment Securities	210,034	21,666
Investment Earnings and Dividends on Investments	3,281	125
Other Revenues (Expenses)	<u>(9)</u>	<u>87</u>
Net Cash Provided by (Used for) Investing Activities	<u>(21,624)</u>	<u>(1,225)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,436	(12,576)
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>18,669</u>	<u>24,666</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 35,105</u>	<u>\$ 12,090</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, 2005
(Amounts in Thousands)
(Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity:			
Operating Income (Loss)	\$ 6,129	\$ 6,924	\$ 4,328
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	3,672	9,290	1,104
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,340)	(10,139)	1,440
(Increase) Decrease in Prepaid Expenses	(72)	--	49
(Increase) Decrease in Interfund Receivable	11,196	10,791	2,443
(Increase) Decrease in Due from Other Governments	6	51	--
(Increase) Decrease in Deferred Debt Issuance Costs	(273)	(109)	--
(Increase) Decrease in Inventory of Supplies	(320)	(73)	13
Increase (Decrease) in Accounts Payable	(160)	7,773	(38)
Increase (Decrease) in Escrow	(802)	2,816	12
Increase (Decrease) in Retainage	(135)	2,140	109
Increase (Decrease) in Interfund Payable	(5,039)	2,710	29
Increase (Decrease) in Other Current Liabilities	<u>127</u>	<u>524</u>	<u>20</u>
Total Adjustments	6,860	25,774	5,181
Net Cash Provided by (Used for) Operating Activities	<u>\$ 12,989</u>	<u>\$ 32,698</u>	<u>\$ 9,509</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, 2005
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:		
Operating Income (Loss)	\$ 17,381	\$ (976)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	14,066	3,620
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(10,039)	(5)
(Increase) Decrease in Prepaid Expenses	(23)	--
(Increase) Decrease in Interfund Receivable	24,430	(14,827)
(Increase) Decrease in Due from Other Governments	57	--
(Increase) Decrease in Deferred Debt Issuance Costs	(382)	--
(Increase) Decrease in Inventory of Supplies	(380)	(28)
Increase (Decrease) in Accounts Payable	7,575	230
Increase (Decrease) in Escrow	2,026	--
Increase (Decrease) in Retainage	2,114	--
Increase (Decrease) in Interfund Payable	(2,300)	(7)
Increase (Decrease) in Other Current Liabilities	<u>671</u>	<u>1,000</u>
Total Adjustments	<u>37,815</u>	<u>(10,017)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 55,196</u>	<u>\$ (10,993)</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, 2005
(AMOUNTS IN THOUSANDS)

	<u>Total</u>
ASSETS	
Equity in Pooled Cash	\$ 980
Investments at Cost	1,344
Interfund Receivable	<u>2</u>
Total Assets	<u>\$ 2,326</u>
 LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts Payable	\$ 13
Escrow	1,346
Other Current Liabilities	<u>967</u>
Total Liabilities	<u>\$ 2,326</u>
Net Assets	<u>\$ ---</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005
(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 as restaurant licenses, that the City collects as an agent for the State of Ohio; and

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

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

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

Municipal Court – an agency fund 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.

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

D. Basis of Financial Statement Presentation - Fund Accounting

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

Governmental Funds

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

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

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

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

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

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).

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.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

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

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.

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,

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

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

E. Annual Budget Process (Continued)

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.

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, 2005 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.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

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.

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. All Property, Plant and Equipment with cost of \$500 (five hundred dollars) or greater is capitalized.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005
(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 \$48,322 at December 31, 2005 and will be collected in 2006 and 2007.

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 \$67 in 2005. 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, 2005, the assessments receivable on such assessed improvement projects amounted to \$2,041.

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, 2005, the assessments receivable for bond retirements was \$496.

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, 2005
(CONTINUED)

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

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

P. Interfund Transactions

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

	Transfer In						Total
	General Fund	Capital Improvement Fund	Non-Major Governmental Funds	Sewer Funds	Non-Major Enterprise Funds	Internal Service Funds	
Transfer Out:							
General Fund	\$ --	\$ 31,383	\$ 946	\$ --	\$ 939	\$ --	\$ 33,268
Capital Improvement Fund	391	--	13,974	--	--	774	15,139
Non-major							
Governmental Funds	1,151	184	6,906	67	--	84	8,392
Water Funds	--	--	13	--	--	--	13
Sewer Funds	--	--	16	--	--	--	16
Non-Major							
Enterprise Funds	--	--	50	--	--	--	50
Internal Service Funds	--	--	--	--	--	3,448	3,448
Total Transfers In:	<u>\$ 1,542</u>	<u>\$ 31,567</u>	<u>\$ 21,905</u>	<u>\$ 67</u>	<u>\$ 939</u>	<u>\$ 4,306</u>	<u>\$ 60,326</u>

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005 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 2003, 2004 and 2005 were:

	Balance at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2003	1,194	1,112	724	1,582
2004	1,582	966	966	1,582
2005	1,582	733	733	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,

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

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

Q. Insurance (Continued)

1995, there is unlimited coverage. The City pays premiums to the State of Ohio 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 \$14,769 reported in the Fund at December 31, 2005 is based on the requirements of Governmental Accounting Standard Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of 2.87 percent.

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2003, 2004 and 2005 were:

	Balance at	Current-Year		Balance at End
	<u>Beginning of Year</u>	<u>Claims and Changes</u>	<u>Claim</u>	<u>of Year</u>
		<u>in Estimates</u>	<u>Payments</u>	
2003	\$ 11,597	\$ 3,200	\$ 2,027	\$ 12,770
2004	12,770	5,151	4,151	13,770
2005	13,770	5,758	4,759	14,769

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, 2005
(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) Debt Service: A portion of Fund Balance legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- e) Prepaid Expenditures: The portion of Fund Balance represented by Prepaid Expenditures currently unavailable for appropriation. As the prepaid expenditures are recognized under the consumption method the reserve is reduced accordingly.
- f) Landfill Remediation: A portion of Fund Balance restricted to pay for the post-closure costs of former landfill sites.
- g) Future Years Expenditure: A portion of fund balance segregated for expenditures appropriated in the current fiscal year to be paid in the next year.
- h) Budget Stabilization: A portion of Fund Balance legally restricted for funding of expenditures during cyclical downturns in the economy.
- i) 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, 2005
(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 \$219,558 difference are as follows:

General Long Term Debt	\$210,111
Plus Premiums	2,548
Accrued Interest	<u>6,899</u>
Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$219,558</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 \$34,715 difference are as follows:

Capital Outlay	\$67,893
Depreciation Expense	<u>(33,178)</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>\$ 34,715</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$(11,000)
Issuance of Loans	(2,613)
Increase in Landfill Liability	---
Plus Premium Amortization	---
Accrued Interest	---
Increase in Compensated Absences	(2,261)
Less Debt Issue Costs	(26)
 Principal Repayments:	
General Obligation Debt	13,512
Other Debt	<u>3,409</u>

Net adjustment to increase <i>net changes in fund balances-</i>	
<i>Total governmental funds to arrive at changes in net assets</i>	
<i>Of governmental activities</i>	<u>\$ 1,021</u>

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 basic 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, 2005
(CONTINUED)

NOTE 2. EQUITY IN POOLED CASH (Continued)

<u>Fund Type</u>	<u>Equity in Pooled Cash and Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 13,296	\$ (8,830)
Capital Improvements	25,036	---
Special Assessment Services	877	(13,605)
Other Governmental Funds	13,709	(1,617)
Water	44,005	(44,803)
Sewer	24,548	(19,341)
Non-Major Enterprise	11,230	(17,561)
Internal Service	28,188	(1,354)
Trust and Agency	<u>980</u>	<u>---</u>
Total	\$ 161,869	\$ <u>(107,111)</u>
Interfund Payables	<u>(107,111)</u>	
Total pooled cash at December 31, 2005	<u>\$ 54,758</u>	

The total above of \$161,869 is presented in the balance sheet as follows:

	<u>Amount</u>
Equity in Pooled Cash	\$ 54,758
Interfund Receivables	<u>107,111</u>
Total	<u>\$ 161,869</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	\$ (8,341)	\$ 63,101	\$ 54,760
Other Cash	375	---	375
Investments	<u>---</u>	<u>177,905</u>	<u>177,905</u>
Total	<u>\$(7,966)</u>	<u>\$ 241,006</u>	<u>\$233,040</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005, the carrying amount of the City's deposits was \$(7,966) (deficit) and the bank balance was \$21,304. Of the bank balance, \$400 was covered by deposit insurance and \$20,904 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.

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2005, the City had the following investments and maturities.

	Percent of Total Investments	Fair Value	Investment Maturity in Years		
			Less than 1	2-5	6-9
City of Toledo Municipal Bonds	7.3%	\$ 17,610	\$ 8,150	\$ 4,360	\$ 5,100
Government Agencies					
Federal Farm Credit Bureau	8.1%	19,570	19,079	491	
Federal Home Loan Bank	23.2%	55,914	51,992	3,922	
Federal Home Loan Mortgage Corporation	22.1%	53,324	51,365	1,959	
Federal National Mortgage Association	20.1%	48,466	48,466	-	
Total Governmental Agencies	73.5%	177,274	170,902	6,372	
State Treasurer Investment Pool	10.9%	26,148	26,148		
Certificates of Deposits/Savings	8.3%	19,974	19,974		
Total Investments	100.0%	\$ 241,006	\$ 225,174	\$ 10,732	\$ 5,100

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits maturity of its investments to a period of no longer than three years, unless the investment is matched to a specific cash requirement. If the investment is matched to a specific cash requirement for debt service, maturity period shall not exceed seven years from date of purchase. Repurchase agreements may not have a term exceeding thirty days.

Credit Risk

It is the City's policy to limit its investments to certificates of deposit, demand deposits that bear interest, government agencies, government securities, repurchase agreements, municipal securities, non-demand savings accounts, State Treasurer's Investment Pool (STAR Ohio), and City of Toledo Municipal securities. STAR Ohio was rated AAAM by Standard & Poor's.

**CITY OF TOLEDO, OHIO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (CONTINUED)**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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.

Concentration of Credit Risk

The City places the following limitations on the amount the City may invest in any one issuer.

Certificates of Deposit or Non-demand Savings Account	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the purchase date of the certificate of deposit.
Government Agencies	Funds invested shall not exceed 25% of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual Governmental Agency.
Repurchase Agreements	No more than \$10 million may be invested at any one time with any one institution.
State Treasurer's Investment	Funds invested shall not exceed 40% of the aggregate principal amount of the City's investment portfolio.
City of Toledo Municipal Securities	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the date of purchase.

**CITY OF TOLEDO, OHIO
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (CONTINUED)**

NOTE 4. RECEIVABLES

The allowance for uncollectible receivables consists of the following at December 31, 2005:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$4,137	\$ ---
Capital Improvements	141	---
Special Assessment Services	17	---
Other Governmental Funds	1,620	32,101
Water	906	---
Sewer	1,755	---
Other Enterprise Funds	264	933
Internal Service Funds	<u>313</u>	<u>---</u>
Total	<u>\$9,153</u>	<u>\$33,034</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, 2010 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 2005, 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, 2005, the City has accrued \$16,985 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, 2005, 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, 2005
(CONTINUED)

NOTE 6. PROPERTY TAX (Continued)

Real property taxes were levied on all non-exempt property located in the County on January 14, 2005. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on January 31, 2005; if paid semi-annually, the first payment was due on February 14, 2005; with the remainder payable on June 30, 2005. Based on this tax calendar, all property taxes which were levied on January 14, 2005 relating to the 2005 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 2005 and the estimated taxes relating to the 2006 budget year (which became a lien on January 1, 2005) are as follows:

Taxes	Assessed Value	General Fund Tax Rate Per Thousand	Actual 2005 Receipts	Due in 2006
General Fund:				
Real Estate & Public				
Utility Property	\$3,955,032	\$ 4.40	\$14,670	\$14,650
Personal Property	<u>468,208</u>	4.40	<u>2,560</u>	<u>2,642</u>
Total	<u>\$4,423,240</u>		<u>\$17,230</u>	<u>\$17,292</u>

The receivables for estimated taxes related to the 2006 budget year have been offset by a credit to deferred revenue at December 31, 2005 since the taxes are not available for appropriation and use until 2006.

	Apportionment of Total Tax Rate	Tax Rate Per Thousand	Actual 2005 Receipts	Due in 2006
Unvoted Levy – Inside 10 Mil				
Limitation:				
General Fund		\$ 2.50	\$ 9,789	\$ 9,825
Voted Levy – Outside 10 Mil				
Limitation:				
General Fund (Charter Amendment Rate)		<u>1.90</u>	<u>7,441</u>	<u>7,467</u>
Total		<u>\$ 4.40</u>	<u>\$ 17,230</u>	<u>\$ 17,292</u>

Delinquent real estate and personal property taxes are not recorded as revenue until received. Based on the County Auditor's records, the estimated delinquent taxes due the City at December 31, 2005 was \$2,689.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2005 is as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$24,781	==	==	\$24,781
<i>Total Capital assets not being depreciated</i>	<u>24,781</u>	==	==	<u>24,781</u>
<i>Capital assets being depreciated:</i>				
Buildings	61,552	---	---	61,552
Improvements	55,185	2,950	---	58,135
Machinery & Equipment	42,030	1,155	---	43,185
Furniture & Fixtures	6,342	32	---	6,374
Infrastructure	552,286	63,756	---	616,042
<i>Total capital assets being depreciated</i>	<u>\$717,395</u>	<u>\$67,893</u>	<u>\$---</u>	<u>\$785,288</u>
<i>Less accumulated depreciation for:</i>				
Buildings	44,736	2,706	---	47,442
Improvements	24,840	2,423	---	27,263
Machinery & Equipment	20,250	1,855	---	22,105
Furniture & Fixtures	5,059	279	---	5,338
Infrastructure	235,777	25,915	---	261,692
<i>Total Accumulated Depreciation</i>	<u>330,662</u>	<u>33,178</u>	<u>---</u>	<u>363,840</u>
<i>Total net capital assets being depreciated</i>	<u>386,733</u>	<u>34,715</u>	<u>---</u>	<u>421,448</u>
<i>Net Governmental Activities capital assets</i>	<u>\$411,514</u>	<u>\$34,715</u>	<u>\$---</u>	<u>\$446,229</u>
Internal Service Funds				
<i>Capital assets not being depreciated:</i>				
Land	350	==	==	350
<i>Total Capital assets not being depreciated</i>	<u>350</u>	==	==	<u>350</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	53,998	4,126	---	58,124
Furniture & Fixtures	98	==	==	98
<i>Total capital assets being depreciated</i>	<u>\$55,542</u>	<u>\$4,126</u>	<u>\$---</u>	<u>\$59,668</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,111	---	---	1,111
Improvements	335	---	---	335
Machinery & Equipment	40,931	3,620	---	44,551
Furniture & Fixtures	98	==	==	98
<i>Total Accumulated Depreciation</i>	<u>42,475</u>	<u>3,620</u>	<u>---</u>	<u>46,095</u>
<i>Total net capital assets being depreciated</i>	<u>13,067</u>	<u>506</u>	<u>---</u>	<u>13,573</u>
<i>Net Internal Service Fund capital assets</i>	<u>\$13,417</u>	<u>\$506</u>	<u>\$---</u>	<u>\$13,923</u>
<i>Total Governmental Activities</i>	<u>\$424,931</u>	<u>\$35,221</u>	<u>\$---</u>	<u>\$460,152</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Business Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$10,458	697	281	\$10,874
Construction in Progress	112,478	112,122	46,428	178,172
<i>Total Capital assets not being depreciated</i>	<u>122,936</u>	<u>112,819</u>	<u>46,709</u>	<u>189,046</u>
<i>Capital assets being depreciated:</i>				
Buildings	75,425	---	---	75,425
Improvements	68,822	1,887	---	70,709
Machinery & Equipment	102,396	1,066	---	103,462
Furniture & Fixtures	1,971	---	---	1,971
Distribution System	372,997	46,428	23,214	396,211
<i>Total capital assets being depreciated</i>	<u>621,611</u>	<u>49,381</u>	<u>23,214</u>	<u>647,778</u>
<i>Less accumulated depreciation for:</i>				
Buildings	47,338	578	---	47,916
Improvements	40,612	---	---	40,612
Machinery & Equipment	59,777	---	---	59,777
Furniture & Fixtures	1,163	---	---	1,163
Distribution System	164,816	13,488	---	178,304
<i>Total Accumulated Depreciation</i>	<u>313,706</u>	<u>14,066</u>	<u>---</u>	<u>327,772</u>
<i>Total net capital assets being depreciated</i>	<u>307,905</u>	<u>35,315</u>	<u>23,214</u>	<u>320,006</u>
<i>Net Business Type Activities Capital Assets</i>	<u>\$430,841</u>	<u>\$148,134</u>	<u>\$69,923</u>	<u>\$509,052</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ 8,810
Public Service	18,160
Public Safety	501
Public Utility	12
Community Environment	1,303
Health	830
Parks	<u>3,562</u>
 Total Depreciation Expense – Governmental Activities	 \$ <u>33,178</u>
Business-Type Activities:	
Water	\$ 3,671
Sewer	9,290
Non-Major	<u>1,104</u>
 Total Depreciation Expense – Business-Type Activities	 \$ <u>14,065</u>
 Internal Service Funds	 <u>3,620</u>
 Total Depreciation Expense	 \$ <u>50,863</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, 2005, the Department owned approximately 321 parcels at an estimated historical cost of \$6,834. 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, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS

A. Obligation Summary by Type

	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
Bonds Outstanding:					
General Obligation	\$127,542	11,000	13,596	124,946	14,043
Revenue Obligations	113,074	39,995	11,926	141,141	9,014
Notes Outstanding:					
General Obligation	11,285	33,125	28,035	16,375	16,375
Revenue Obligations	35,600	23,200	22,300	36,500	17,800
Loans Outstanding:					
State Agencies	70,854	60,703	5,066	126,491	4,886
Federal Agencies	21,130	--	1,055	20,075	1,120
Other	2,615	7,140	674	9,081	7,681
Capital Leases	15,118	--	1,868	13,250	3,818
Other Obligations	61,403	3,067	1,433	63,037	--
TOTAL OBLIGATIONS	\$ 458,621	178,230	85,953	550,898	74,737

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, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type

Changes in bonds payable and general long term obligations during 2005 and principal amounts outstanding at December 31, 2005 are as follows:

	Balance at Beginning Of Year	Increases/ Issuances	Reductions/ Retirements	Balance At End Of Year	Due Within One Year
Governmental Type					
Accrued Compensated Absences	\$ 39,898	3,067	805	42,160	--
Landfill Closure	21,505	--	628	20,877	--
Capital Leases	4,875	--	1,050	3,825	2,552
Assessed Services	35,600	23,200	22,300	36,500	17,800
General Fund Capital Projects - Loans	8,536	--	380	8,156	396
Police & Fire Pension – G.O. Bonds	11,400	--	950	10,450	1,000
Assessed Improvements – G.O. Bonds	406	--	82	324	77
Capital Projects – G. O. Bonds	89,978	11,000	11,489	89,489	11,910
Capital Projects – G. O. Notes	4,210	7,235	8,015	3,430	3,430
Capital Projects – Loans	34,699	10,341	3,413	41,627	9,854
Subtotal	\$ 251,107	\$ 54,843	49,112	256,838	47,019
Internal Service Funds					
General Obligation Bonds	1	--	1	--	--
General Obligation Notes	5,935	18,220	15,045	9,110	9,110
Subtotal	5,936	18,220	15,046	9,110	9,110
Business Type					
Water Revenue Bonds	\$ 65,990	34,850	4,407	96,433	6,463
Sanitary Sewer Revenue Bonds	47,084	5,145	7,519	44,710	2,551
Energy (General Obligation)	49	--	49	--	--
Parking (General Obligation)	1,505	--	570	935	550
Housing (General Obligation)	24,203	--	455	23,748	506
Capital Projects – G.O. Notes	1,140	2,000	2,140	1,000	1,000
Capital Projects – Loans	49,864	57,502	3,002	104,364	3,396
Enterprise Fund	--	5,670	2,835	2,835	2,835
Capital Lease	10,243	--	818	9,425	1,266
Property Management ODOD 166	1,500	--	--	1,500	41
Subtotal	201,578	105,167	21,795	284,950	18,608
Total Obligations	<u>\$ 458,621</u>	<u>\$ 178,230</u>	<u>\$ 85,953</u>	<u>\$550,898</u>	<u>\$ 74,737</u>
Premiums	\$ 2,781	--	233	2,548	--
Accrued Interest	5,692	1,207	--	6,899	--
Total Debt	<u>\$ 467,094</u>	<u>\$ 179,437</u>	<u>\$ 86,186</u>	<u>\$560,345</u>	<u>\$ 74,737</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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 2005 were as follows:

	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Balance at beginning of year	\$ 35,600	\$ 4,210	\$ 49,864	\$ 5,936	\$95,610
Issuances	23,200	7,235	57,502	18,220	106,157
Retirements	(22,300)	(8,015)	(3,002)	(15,046)	(48,363)
Balance at end of year	<u>\$ 36,500</u>	<u>\$ 3,430</u>	<u>\$104,364</u>	<u>\$ 9,110</u>	<u>\$153,404</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	1.50-7.50%	89,978	11,000	11,489	89,489	11,910
Special Assessments	1.55-7.00%	406	--	82	324	77
Internal Service Funds	4.90%	1	--	1	--	--
Pension	7.50%	11,400	--	950	10,450	1,000
Housing	4.70-7.86%	24,203	--	455	23,748	506
Parking	6.75-7.35%	1,505	--	570	935	550
Water/Sewer Systems	4.90%	49	--	49	--	--
Revenue Obligations						
Water System	3.50-6.45%	65,990	34,850	4,407	96,433	6,463
Sanitary Sewer System	3.50-6.45%	47,084	5,145	7,519	44,710	2,551
Notes Outstanding:						
General Obligation						
Special Assessments	4.00%	1,785	3,935	3,940	1,780	1,780
Capital Projects	4.00%	2,425	3,300	4,075	1,650	1,650
Storm Water System	4.00%	1,140	2,000	2,140	1,000	1,000
Internal Service Funds	4.00%	5,935	18,220	15,045	9,110	9,110
Enterprise Fund	4.00%	--	5,670	2,835	2,835	2,835
Assessed Services 2003	2.29%	17,800	--	17,800	--	--
Assessed Services 2004	Var/3.27%	17,800	--	--	17,800	17,800
Assessed Services 2005	Var	--	23,200	4,500	18,700	--
Loans Outstanding:						
State Agencies						
State Issue 2						
Capital Projects	0.00%	2,341	3,201	1,208	4,334	558
Water System	0.00%	369	--	28	341	28
Sanitary Sewer Sys.	0.00%	965	--	127	838	86
Storm Water System	0.00%	1,185	--	68	1,117	68
Ohio Water Dev Auth.						
Capital Projects	4.02-4.12%	8,536	--	380	8,156	396
Sanitary Sewer Sys.	3.75-9.88%	47,345	57,502	2,779	102,068	3,214
ODOD Chapter 166						
Capital Projects	4.25%	8,613	--	476	8,137	495
Property Mgmt		1,500	--	--	1,500	41
Federal Agencies						
HUD 108						
Capital Projects	6.56-7.96%	21,130	--	1,055	20,075	1,120
Other Loans						
Capital Projects	0.00-7.86%	2,615	7,140	674	9,081	7,681
Capital Leases:						
Capital Projects		4,875	--	1,050	3,825	2,552
Parking		7,153	--	280	6,873	728
Utilities Admin. Svc.		3,090	--	538	2,552	538
Other Obligations:						
Landfill Closure		21,505	--	628	20,877	--
Compensated Absences		39,898	3,067	805	42,160	--
Total Obligations		\$ 458,621	178,230	85,953	550,898	74,737

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005 are as follows:

	Water		Sewer	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 6,463	\$ 2,517	\$ 2,551	\$ 2,177
2007	4,715	4,198	2,790	1,940
2008	4,880	4,011	2,890	1,842
2009	5,015	3,835	3,015	1,721
2010	5,240	3,628	3,140	1,590
2011-2015	28,325	14,348	12,740	5,999
2016-2020	17,505	7,899	8,640	3,180
2021-2025	11,735	4,898	5,500	1,681
2026-2030	12,555	1,805	3,444	345
2031-2035	--	--	--	--
Total	<u>\$ 96,433</u>	<u>\$ 47,139</u>	<u>\$ 44,710</u>	<u>\$ 20,475</u>

	Parking		Capital Projects	
	Principal	Interest	Principal	Interest
2006	\$ 550	\$ 68	\$ 11,910	\$ 3,512
2007	85	27	11,000	3,567
2008	95	21	11,035	3,203
2009	100	15	10,081	3,877
2010	105	7	9,412	2,982
2011-2015	--	--	29,621	11,626
2016-2020	--	--	6,430	568
2021-2025	--	--	--	--
2026-2030	--	--	--	--
2031-2035	--	--	--	--
Total	<u>\$ 935</u>	<u>\$ 138</u>	<u>\$ 89,489</u>	<u>\$ 29,335</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	P&F Pension GO Bonds	
	Principal	Interest
2006	\$ 1,000	\$ 765
2007	1,025	690
2008	1,075	612
2009	1,100	531
2010	1,150	447
2011-2015	5,100	879
2016-2020	--	--
2021-2025	--	--
2026-2030	--	--
2031-2035	--	--
Total	<u>\$10,450</u>	<u>\$ 3,924</u>

	Housing	
	Principal	Interest
2006	\$ 506	\$ 1,466
2007	575	1,436
2008	641	1,402
2009	571	1,363
2010	641	1,328
2011-2015	4,145	5,947
2016-2020	6,339	4,279
2021-2025	7,690	2,139
2026-2030	2,640	290
2031-2035	--	--
Total	<u>\$ 23,748</u>	<u>\$19,650</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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>
2006	\$ 740	\$ ---	\$ 3,214	2,145
2007	625	---	3,368	2,163
2008	586	---	4,990	3,262
2009	507	---	5,322	3,166
2010	507	---	5,178	2,947
2011-2015	2,229	---	25,454	11,911
2016-2020	848	---	27,386	7,112
2021-2025	472	---	22,311	2,640
2026-2030	104	---	4,845	138
2031-2035	<u>12</u>	<u>---</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 6,630</u>	<u>\$ ---</u>	<u>\$102,068</u>	<u>\$ 35,484</u>

	OWDA General Fund		ODOD - 166	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 396	\$ 330	\$ 536	\$ 360
2007	412	314	642	374
2008	429	297	668	347
2009	447	279	695	318
2010	465	260	723	288
2011-2015	2,633	997	4,083	941
2016-2020	3,225	404	2,290	139
2021-2025	149	4	--	--
2026-2030	--	--	--	--
2031-2035	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 8,156</u>	<u>\$ 2,885</u>	<u>\$ 9,637</u>	<u>\$ 2,767</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	HUD – 108		Other	
	Principal	Interest	Principal	Interest
2006	\$ 1,120	\$ 1,528	\$ 7,681	\$ 559
2007	1,185	1,449	200	--
2008	1,250	1,363	200	--
2009	1,350	1,273	200	--
2010	1,415	1,176	200	--
2011-2015	7,800	4,212	600	--
2016-2020	5,955	963	--	--
2021-2025	--	--	--	--
2026-2030	--	--	--	--
2031-2035	--	--	--	--
Total	<u>\$20,075</u>	<u>\$11,964</u>	<u>\$ 9,081</u>	<u>\$ 559</u>

	G.O. Storm	G.O. Assessed	G. O. Internal	Revenue
	Principal	Principal	Service	Obligations
	Principal	Principal	Principal	Principal
2006	\$ 1,000	\$ 1,780	\$ 1,650	\$ 9,110
2007	--	--	--	--
2008	--	--	--	--
2009	--	--	--	--
2010	--	--	--	--
2011-2015	--	--	--	--
2016-2020	--	--	--	--
2021-2025	--	--	--	--
2026-2030	--	--	--	--
2031-2035	--	--	--	--
Total	<u>\$ 1,000</u>	<u>\$ 1,780</u>	<u>\$ 1,650</u>	<u>\$ 9,110</u>

	G.O. Enterprise
	Principal
2006	\$ 2,835
2007	--
2008	--
2009	--
2010	--
2011-2015	--
2016-2020	--
2021-2025	--
2026-2030	--
2031-2035	--
Total	<u>\$ 2,835</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Special Assessment Bonds		Assessed Services
	Principal	Interest	Principal
2006	\$ 77	\$ 14	\$ 17,800
2007	77	10	18,700
2008	77	7	--
2009	35	4	--
2010	15	2	--
2011-2015	43	3	--
2016-2020	--	--	--
2021-2025	--	--	--
2026-2030	--	--	--
2031-2035	--	--	--
Total	<u>\$ 324</u>	<u>\$ 40</u>	<u>\$ 36,500</u>

Under the Uniform Bond Act of the Ohio Revised Code, the City has the capacity to issue approximately \$93,000 additional unvoted general obligation debt. The principal balances of the utility debt have been reduced by unamortized premiums of \$2,390.

D. Defeasance of Bond Issues

During November 2005, the City issued \$34,850 of water revenue bonds that provided monies for the refunding of series 1994 water revenue bonds and additional capital improvement funds. Total proceeds from the issuance amounted to \$36,159 which includes an issuance premium of \$1,309. Of this amount, \$1,992 was transferred to an escrow agent for the purchase of U.S. Government securities for the refunding.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

D. Defeasance of Bond Issues (Continued)

Additionally, during November 2005, the City issued \$5,145 of sewer revenue bonds that provided monies for the refunding of series 1994 sewer revenue bonds and additional capital improvement funds. Total proceeds from the issuance amounted to \$5,158 which includes an issuance premium of \$13. Of this amount, \$5,050 was transferred to an escrow agent for the purchase of U.S. Government securities for the refunding.

The difference between the cash flows required to service the refunded debt and the cash flow required to service the new debt and complete the refunding is \$1,171. The net present value savings from the refunding amounts to \$957.

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, 2005 are as follows:

Year	General Long-Term Obligations	Enterprise Funds
2006	2,552	1,266
2007	1,433	1,279
2008	---	1,306
2009	---	1,299
2010	---	1,293
2011-2015	---	4,353
2016-2020	---	1,864
2021-2025	---	---
Total Minimum Lease Payments	3,985	12,660
Less Amount Representing Interest	<u>160</u>	<u>3,235</u>
Present Value of Net Minimum Lease Payments	<u>\$ 3,825</u>	<u>\$ 9,425</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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 2005 resulting in an increase in capacity; 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 30 years. The \$20,877 reported as landfill closure and postclosure care liability at December 31, 2005, represents the cumulative amount reported to date based on the use of 93% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,594 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005 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, 2005
(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	\$ 13,169	\$ 8,830
Capital Improvements	25,036	---
Special Assessment Services	877	13,606
Other Governmental Funds	6,916	1,617
Water	30,194	44,803
Sewer	6,963	19,341
Other Enterprise Funds	7,858	17,561
Internal Service Funds	16,099	1,354
Trust and Agency	---	---
Total	<u>\$ 107,112</u>	<u>\$ 107,112</u>

NOTE 10. FUND BALANCE DEFICITS

A. Fund Balance Deficit

At December 31, 2005, the following Funds had a fund balance deficit:

Special Revenue Funds - Special Assessment Services Fund

The fund deficit of \$42,601 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, 2005
(CONTINUED)

NOTE 10. FUND BALANCE DEFICITS (Continued)

A. Fund Balance Deficit (Continued)

Special Revenue Funds – Cemetery Maintenance

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

Special Revenue Funds – Marina Development

The deficit of \$65 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 \$267 is a result of timing of drawdowns from HUD for current year expenditures.

Capital Projects Fund - Special Assessment Improvements Fund

The fund deficit of \$1,736 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 \$1,349 is due to delinquent receivables.

Internal Service Funds - Storeroom and Printshop Fund

The fund deficit of \$722 in the Storeroom and Printshop Fund is due to previous years experiencing operating losses due to an inability to pass through certain overhead costs.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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: OP & F, 140 East Town Street, Columbus, Ohio 43215-5164.

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, 2005, 2004, 2003, were \$7,994, \$7,889, \$7,839, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2005, 2004, 2003, were \$7,253, \$7,091, \$7,122, 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, 2005
(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 \$5,519 (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, 2004:

- 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, 2004 was 13,812 for police and 10,528 for firemen.
- C. The Fund's total health care expenses for the year ending December 31, 2004 were \$102,174.

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 Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigned authority to establish and amend benefits to the OPERS Board of Trustees. OPERS issues a stand-alone financial report that includes the financial statements. Interested parties may obtain a copy by making a written request to: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-7377.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

The 2005 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, 2005, 2004 and 2003 were \$9,909, \$9,729 and \$8,789, respectively, equal to the required contributions for each year. All contributions to OPERS 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. As required by state statute, a portion of each employee'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 contribution rates of 13.55% to the plan for the years ended December 31, 2005 and 2004 involved a portion (4%) that was used to fund health care. The City contribution includes approximately \$3,656 (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 OPERS.

Summary of Assumptions

- Actuarial Review – The assumptions and calculations below were based on the OPERS' latest actuarial review performed as of December 31, 2004.
- Funding Method – 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.
- Assets Valuation Method – 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 the unrealized market appreciation or depreciation on investments assets annually.
- Investment Return – The investment assumption rate for 2004 was 8%.
- Active Employee Total Payroll – 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 0.5% to 6.3%.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

- Health Care - Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next eight years. In subsequent years (nine and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEBs are advance funded on an actuarially determined basis. The number of active participants at December 31, 2005 was 376,109. At December 31, 2004 (the latest date information is available), the number of active contributing participants was 355,287 and \$10.8 billion represents the actuarial value of the OPERS' net assets available for OPEB. The actuarially accrued liability and the unfunded actuarial accrued liability at December 31, 2004 (the latest date information is available), based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

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 \$19,638. 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 \$1,468 in 2005.

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 \$2,500 at December 31, 2005.

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.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

NOTE 13. LEASES AND OTHER COMMITMENTS (Continued)

The City leases other facilities and equipment under various operating leases. Rental expense relating to these leases amounted to \$1,867 in 2005. Future minimum lease payments on operating leases as of December 31, 2005 is \$975.

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 \$75,819 at December 31, 2005, 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 is proceeding on schedule. In 2005, the City incurred \$57,921 in costs relating to the upgrade. As of December 31, 2005, a total of \$82,116 has been expended to date.

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(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, 2005, 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	38.00%
Lucas County	30.69
Defiance County	9.66
Fulton County	7.79
Williams County	7.79
Henry County	<u>6.07</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 \$15,371 and has accumulated cash reserves of \$676 at December 31, 2005. 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, 2005**

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, 2005
(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	\$ 156,072	\$ 156,092	\$ 160,683	\$ 4,591
Property Taxes	17,488	17,488	17,231	(257)
Licenses and Permits	2,600	2,600	2,967	367
Intergovernmental Services	23,875	23,770	23,261	(509)
Charges for Services	13,461	13,515	12,806	(709)
Investment Earnings	2,202	2,202	2,185	(17)
Fines and Forfeitures	5,510	5,510	5,176	(334)
All Other Revenue	2,544	2,456	710	(1,746)
Total Revenues	<u>223,752</u>	<u>223,633</u>	<u>225,019</u>	<u>1,386</u>
EXPENDITURES				
General Government	18,900	16,706	16,479	227
Public Service	1,549	1,572	1,571	1
Public Safety	147,210	147,163	147,101	62
Community Environment	4,993	5,275	5,005	270
Health	14,667	14,867	14,674	193
Parks and Recreation	3,464	3,382	3,328	54
Capital Outlay	860	790	529	261
Debt Service:				
Principal Retirement	2,094	2,026	2,026	-
Interest and Fiscal Charges	1,251	1,167	1,161	6
Total Expenditures	<u>194,988</u>	<u>192,948</u>	<u>191,874</u>	<u>1,074</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,764</u>	<u>30,685</u>	<u>33,145</u>	<u>2,460</u>
Other Financing Sources (Uses):				
Operating Transfers In	1,481	1,688	1,542	(146)
Operating Transfers (Out)	(31,188)	(33,268)	(33,268)	-
Sale of Fixed Assets	-	-	11	11
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,707)</u>	<u>(31,580)</u>	<u>(31,715)</u>	<u>(135)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (943)</u>	<u>\$ (895)</u>	<u>\$ 1,430</u>	<u>\$ 2,325</u>
Fund Balances (Deficit) at Beginning of Year			9,300	
Increase in Reserve for Inventory			41	
Fund Balance (Deficit) at Year End			<u>\$ 10,771</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, 2005
(AMOUNTS IN THOUSANDS)**

<u>Special Assessment Services</u>				
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
REVENUES:				
Special Assessments	\$ 20,653	\$ 20,653	\$ 20,170	\$ (483)
Charges for Services	238	238	294	56
Investment Earnings	175	175	542	367
All Other Revenue	5	5	-	(5)
Total Revenues	<u>\$ 21,071</u>	<u>\$ 21,071</u>	<u>\$ 21,006</u>	<u>\$ (65)</u>
EXPENDITURES:				
General Government	\$ 220	\$ 193	\$ 175	\$ 18
Public Service	24,497	24,723	21,619	3,104
Public Utilities	-	-	-	-
Health	859	589	536	53
Parks and Recreation	166	169	157	12
Capital Outlay	209	131	15	116
Debt Service:				
Principal Retirement	46	46	46	-
Interest and Fiscal Charges	1,884	1,886	1,471	415
Total Expenditures	<u>\$ 27,881</u>	<u>\$ 27,737</u>	<u>\$ 24,019</u>	<u>\$ 3,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,810)</u>	<u>\$ (6,666)</u>	<u>\$ (3,013)</u>	<u>\$ 3,653</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>\$ (6,810)</u>	<u>\$ (6,666)</u>	<u>(3,013)</u>	<u>\$ 3,653</u>
Fund Balances (Deficit) at Beginning of Year			(39,316)	
Increase in Reserve for Inventory			(272)	
Fund Balance (Deficit) at Year End			<u>\$ (42,601)</u>	

CITY OF TOLEDO, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005

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, 2005 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, 2005**

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.

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

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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, 2005
(AMOUNTS IN THOUSANDS)**

	<u>Capital Improvements</u>			
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
REVENUES:				
Licenses and Permits	-		\$ 93	93
Intergovernmental Services	70,575	70,575	25,780	(44,795)
Charges for Services	96	96	98	2
Investment Earnings	75	75	1,082	1,007
All Other Revenue	529	529	447	(82)
Total Revenues	<u>\$ 71,275</u>	<u>\$ 71,275</u>	<u>\$ 27,500</u>	<u>\$ (43,775)</u>
EXPENDITURES:				
Capital Outlay	\$ 135,689	\$ 135,689	\$ 63,345	\$ 72,344
Debt Service:				
Principal Retirement	3,531	3,531	3,531	-
Interest and Fiscal Charges	2,241	2,241	2,214	27
Total Expenditures	<u>\$ 141,461</u>	<u>\$ 141,461</u>	<u>\$ 69,090</u>	<u>\$ 72,371</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (70,186)</u>	<u>\$ (70,186)</u>	<u>\$ (41,590)</u>	<u>\$ 28,596</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	30,500	30,500	31,567	1,067
Operating Transfers (Out)	(15,139)	(15,139)	(15,139)	-
Bond Issuance of Debt	12,650	12,650	11,000	(1,650)
Note Issuance of Debt	16,841	16,841	2,613	(14,228)
Premiums on Bond	-	-	122	122
Sale of Fixed Assets	75	75	56	(19)
Total Other Financing Sources (Uses)	<u>\$ 44,927</u>	<u>\$ 44,927</u>	<u>\$ 30,219</u>	<u>\$ (14,708)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>\$ (25,259)</u>	<u>\$ (25,259)</u>	(11,371)	<u>\$ 13,888</u>
Fund Balances (Deficit) at Beginning of Year			43,015	
Increase in Reserve for Inventory			92	
Fund Balance (Deficit) at Year End			<u>\$ 31,736</u>	

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)**

EXPENDITURES:	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Current				
GENERAL GOVERNMENT				
City Council				
Personal Services	\$ 1,263	\$ 1,280	\$ 1,280	\$ -
Materials and Supplies	45	24	21	3
Contractual Services	132	98	95	3
Other	-	2	2	-
Total City Council	<u>1,440</u>	<u>1,404</u>	<u>1,398</u>	<u>6</u>
Office Of The Mayor				
Personal Services	868	905	905	-
Materials and Supplies	38	13	12	1
Contractual Services	401	147	147	-
Other	23	372	372	-
Total Office of the Mayor	<u>1,330</u>	<u>1,437</u>	<u>1,436</u>	<u>1</u>
Auditor				
Personal Services	198	191	191	-
Materials and Supplies	1	1	1	-
Contractual Services	7	7	7	-
Total Auditor	<u>206</u>	<u>199</u>	<u>199</u>	<u>-</u>
Affirmative Action				
Personal Services	295	278	278	-
Materials and Supplies	2	1	1	-
Contractual Services	15	14	14	-
Total Affirmative Action	<u>312</u>	<u>293</u>	<u>293</u>	<u>-</u>
Board Of Community Relations				
Personal Services	112	98	98	-
Materials and Supplies	4	3	3	-
Contractual Services	24	9	9	-
Total Board Of Community Relations	<u>140</u>	<u>110</u>	<u>110</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ 84	\$ 73	\$ 73	\$ -
Materials and Supplies	1	-	-	-
Contractual Services	73	13	13	-
Total Financial Analysis	<u>158</u>	<u>86</u>	<u>86</u>	<u>-</u>
General Fund Utilities				
Contractual Services	1,930	1,615	1,609	6
Total General Fund Utilities	<u>1,930</u>	<u>1,615</u>	<u>1,609</u>	<u>6</u>
Law				
Personal Services	1,914	2,073	2,073	-
Materials and Supplies	34	32	32	-
Contractual Services	335	307	281	26
Total Law	<u>2,283</u>	<u>2,412</u>	<u>2,386</u>	<u>26</u>
Youth Commission				
Personal Services	206	198	198	-
Materials and Supplies	6	1	1	-
Contractual Services	20	10	10	-
Total Youth Commission	<u>232</u>	<u>209</u>	<u>209</u>	<u>-</u>
Finance Administration				
Personal Services	359	216	216	-
Materials and Supplies	2	1	1	-
Contractual Services	9	6	3	3
Total Finance Administration	<u>370</u>	<u>223</u>	<u>220</u>	<u>3</u>
Treasury				
Personal Services	239	243	243	-
Materials and Supplies	48	37	32	5
Contractual Services	66	61	60	1
Total Treasury	<u>353</u>	<u>341</u>	<u>335</u>	<u>6</u>
Taxation				
Personal Services	1,275	1,094	1,094	-
Materials and Supplies	173	170	145	25
Contractual Services	542	568	547	21
Total Taxation	<u>1,990</u>	<u>1,832</u>	<u>1,786</u>	<u>46</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Accounts				
Personal Services	\$ 946	\$ 938	\$ 938	\$ -
Materials and Supplies	13	9	9	-
Contractual Services	546	596	582	14
Total Accounts	<u>1,505</u>	<u>1,543</u>	<u>1,529</u>	<u>14</u>
Economic Development				
Other	71	60	60	-
Total Economic Development	<u>71</u>	<u>60</u>	<u>60</u>	<u>-</u>
Human Resources				
Personal Services	1,109	1,148	1,148	-
Materials and Supplies	47	15	15	-
Contractual Services	212	138	135	3
Other	4	-	-	-
Total Human Resources	<u>1,372</u>	<u>1,301</u>	<u>1,298</u>	<u>3</u>
Purchasing And Supplies				
Personal Services	250	266	266	-
Materials and Supplies	2	2	2	-
Contractual Services	38	65	65	-
Total Purchasing and Supplies	<u>290</u>	<u>333</u>	<u>333</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	35	49	49	-
Materials and Supplies	1	1	1	-
Contractual Services	6	26	26	-
Total Streets Bridges & Harbors	<u>42</u>	<u>76</u>	<u>76</u>	<u>-</u>
Facility Operations				
Personal Services	(20)	31	31	-
Materials and Supplies	(3)	2	2	-
Contractual Services	333	447	443	4
Total Facility Operations	<u>310</u>	<u>480</u>	<u>476</u>	<u>4</u>
Safety				
Personal Services	119	118	118	-
Other	326	124	124	-
Total Safety	<u>445</u>	<u>242</u>	<u>242</u>	<u>-</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, 2005
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Fire				
Personal Services	\$ 1,234	\$ 58	\$ 58	-
Materials and Supplies	(1)	20	20	-
Contractual Services	(3)	(17)	(17)	-
Total Fire	<u>1,230</u>	<u>61</u>	<u>61</u>	<u>-</u>
Natural Resources Administration				
Personal Services	240	171	171	-
Materials and Supplies	3	2	1	1
Contractual Services	148	127	126	1
Total Natural Resources Administration	<u>391</u>	<u>300</u>	<u>298</u>	<u>2</u>
Recreation				
Other	3	2	2	-
Total Recreation	<u>3</u>	<u>2</u>	<u>2</u>	<u>-</u>
Parks & Forestry				
Other	10	10	10	-
Total Parks & Forestry	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fringe Benefits				
Personal Services	280	272	272	-
Total Fringe Benefits	<u>280</u>	<u>272</u>	<u>272</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	2,202	1,860	1,750	110
Total General Non-Departmental Services	<u>2,202</u>	<u>1,860</u>	<u>1,750</u>	<u>110</u>
TOTAL GENERAL GOVERNMENT	<u>18,900</u>	<u>16,706</u>	<u>16,479</u>	<u>227</u>
PUBLIC SERVICE				
General Fund Utilities				
Contractual Services	1,349	1,254	1,254	-
Total General Fund Utilities	<u>1,349</u>	<u>1,254</u>	<u>1,254</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Parks & Forestry				
Personal Services	86	73	73	-
Materials and Supplies	4	1	1	-
Contractual Services	110	244	243	1
Total Parks & Forestry	<u>200</u>	<u>318</u>	<u>317</u>	<u>1</u>
TOTAL PUBLIC SERVICE	<u>1,549</u>	<u>1,572</u>	<u>1,571</u>	<u>1</u>
PUBLIC SAFETY				
Municipal Court Judges				
Personal Services	5,095	5,032	5,032	-
Materials and Supplies	75	81	81	-
Contractual Services	2,004	2,034	2,017	17
Total Municipal Court Judges	<u>7,174</u>	<u>7,147</u>	<u>7,130</u>	<u>17</u>
Clerk Of Municipal Court				
Personal Services	4,309	4,203	4,203	-
Materials and Supplies	345	370	370	-
Contractual Services	339	326	326	-
Total Clerk Of Municipal Court	<u>4,993</u>	<u>4,899</u>	<u>4,899</u>	<u>-</u>
Law				
Personal Services	541	538	538	-
Contractual Services	23	22	18	4
Total Law	<u>564</u>	<u>560</u>	<u>556</u>	<u>4</u>
Safety				
Contractual Services	12,905	12,773	12,773	-
Total Safety	<u>12,905</u>	<u>12,773</u>	<u>12,773</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ 66,575	\$ 65,985	\$ 65,985	\$ -
Materials and Supplies	693	626	620	6
Contractual Services	3,749	4,564	4,559	5
Total Police	<u>71,017</u>	<u>71,175</u>	<u>71,164</u>	<u>11</u>
Fire				
Personal Services	47,942	47,863	47,863	-
Materials and Supplies	394	285	266	19
Contractual Services	2,124	2,106	2,105	1
Total Fire	<u>50,460</u>	<u>50,254</u>	<u>50,234</u>	<u>20</u>
Fringe Benefits				
Personal Services	-	196	196	-
Total Fringe Benefits	<u>-</u>	<u>196</u>	<u>196</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	97	159	149	10
Total General Non-Departmental Services	<u>97</u>	<u>159</u>	<u>149</u>	<u>10</u>
TOTAL PUBLIC SAFETY	<u>147,210</u>	<u>147,163</u>	<u>147,101</u>	<u>62</u>
COMMUNITY ENVIRONMENT				
Planning Commission				
Personal Services	455	447	447	-
Materials and Supplies	18	15	15	-
Contractual Services	54	42	42	-
Total Planning Commission	<u>527</u>	<u>504</u>	<u>504</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ -	\$ 260	\$ 260	\$ -
Total General Fund Utilities	<u>-</u>	<u>260</u>	<u>260</u>	<u>-</u>
Youth Commission				
Other	69	21	15	6
Total Youth Commission	<u>69</u>	<u>21</u>	<u>15</u>	<u>6</u>
H N R Administration				
Personal Services	108	98	98	-
Materials and Supplies	6	1	1	-
Contractual Services	94	64	64	-
Total H N R Administration	<u>208</u>	<u>163</u>	<u>163</u>	<u>-</u>
Housing Division				
Personal Services	31	36	36	-
Total Housing Division	<u>31</u>	<u>36</u>	<u>36</u>	<u>-</u>
Economic Development				
Personal Services	413	357	357	-
Materials and Supplies	27	9	8	1
Contractual Services	251	268	233	35
Other	110	94	88	6
Total Economic Development	<u>801</u>	<u>728</u>	<u>686</u>	<u>42</u>
Demolition				
Personal Services	505	442	442	-
Contractual Services	115	132	132	-
Other	76	66	56	10
Total Demolition	<u>696</u>	<u>640</u>	<u>630</u>	<u>10</u>
Transportation				
Personal Services	72	50	50	-
Materials and Supplies	2	2	2	-
Contractual Services	26	24	24	-
Total Transportation	<u>100</u>	<u>76</u>	<u>76</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	3	23	23	-
Materials and Supplies	-	9	9	-
Contractual Services	5	105	93	12
Total Streets Bridges & Harbors	<u>8</u>	<u>137</u>	<u>125</u>	<u>12</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Waste Disposal				
Personal Services	\$ 20	\$ 20	\$ 4	\$ 16
Contractual Services	408	454	270	184
Total Waste Disposal	<u>428</u>	<u>474</u>	<u>274</u>	<u>200</u>
Engineering Services				
Personal Services	110	104	104	-
Materials and Supplies	3	9	9	-
Contractual Services	20	21	21	-
Total Engineering Services	<u>133</u>	<u>134</u>	<u>134</u>	<u>-</u>
Building Inspection				
Personal Services	1,611	1,855	1,855	-
Materials and Supplies	25	25	25	-
Contractual Services	289	163	163	-
Total Building Inspection	<u>1,925</u>	<u>2,043</u>	<u>2,043</u>	<u>-</u>
Parks & Forestry				
Personal Services	16			
Contractual Services	1	9	9	-
Total Parks & Forestry	<u>17</u>	<u>9</u>	<u>9</u>	<u>-</u>
Fringe Benefits				
Personal Services	50	50	50	-
Total Fringe Benefits	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
TOTAL COMMUNITY ENVIRONMENT	<u>4,993</u>	<u>5,275</u>	<u>5,005</u>	<u>270</u>
HEALTH				
Municipal Court Judges				
Personal Services	280	265	265	-
Materials and Supplies	1	-	-	-
Contractual Services	4	1	1	-
Total Municipal Court Judges	<u>285</u>	<u>266</u>	<u>266</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ 8,783	\$ 9,334	\$ 9,334	\$ -
Materials and Supplies	77	72	70	2
Contractual Services	1,464	1,364	1,346	18
Total Refuse Collection	<u>10,324</u>	<u>10,770</u>	<u>10,750</u>	<u>20</u>
Waste Disposal				
Personal Services	1,207	1,155	1,155	-
Materials and Supplies	119	119	108	11
Contractual Services	2,040	1,997	1,848	149
Total Waste Disposal	<u>3,366</u>	<u>3,271</u>	<u>3,111</u>	<u>160</u>
Environmental Services				
Personal Services	107	98	98	-
Contractual Services	61	48	48	-
Total Environmental Services	<u>168</u>	<u>146</u>	<u>146</u>	<u>-</u>
Recreation				
Contractual Services	8	1	1	-
Total Recreation	<u>8</u>	<u>1</u>	<u>1</u>	<u>-</u>
Parks & Forestry				
Personal Services	264	227	227	-
Materials and Supplies	13	10	6	4
Contractual Services	110	127	118	9
Total Parks & Forestry	<u>387</u>	<u>364</u>	<u>351</u>	<u>13</u>
Fringe Benefits				
Personal Services	129	49	49	-
Total Fringe Benefits	<u>129</u>	<u>49</u>	<u>49</u>	<u>-</u>
TOTAL HEALTH	<u>14,667</u>	<u>14,867</u>	<u>14,674</u>	<u>193</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005
(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	\$ 31	\$ 29	\$ 25	\$ 4
Total Natural Resources Administration	<u>31</u>	<u>29</u>	<u>25</u>	<u>4</u>
Recreation				
Personal Services	614	653	653	-
Materials and Supplies	95	83	76	7
Contractual Services	1,073	1,094	1,078	16
Total Recreation	<u>1,782</u>	<u>1,830</u>	<u>1,807</u>	<u>23</u>
Parks & Forestry				
Personal Services	545	518	518	-
Materials and Supplies	68	57	39	18
Contractual Services	1,038	948	939	9
Total Parks & Forestry	<u>1,651</u>	<u>1,523</u>	<u>1,496</u>	<u>27</u>
TOTAL PARKS & RECREATION	<u>3,464</u>	<u>3,382</u>	<u>3,328</u>	<u>54</u>
TOTAL CAPITAL OUTLAY	860	790	529	261
TOTAL DEBT SERVICE	3,345	3,193	3,187	6
TOTAL EXPENDITURES	<u>\$ 194,988</u>	<u>\$ 192,948</u>	<u>\$ 191,874</u>	<u>\$ 1,074</u>

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**CITY OF TOLEDO, OHIO
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 6,745	\$ 40	\$ -
Other Cash	1	-	-
Investments	2,572	-	593
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	3,605	-	-
Special Assessments	-	496	2,042
Notes	-	-	-
Interfund Receivable	6,916	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	755	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ 20,594	\$ 536	\$ 2,635
	=====	=====	=====
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 1,130	\$ 2	\$ 134
Escrow	1,427	-	-
Retainages	62	-	-
Interfund Payable	1,199	-	415
Due to Other Governments	2	-	-
Deferred Revenue	-	496	2,042
Other Current Liabilities	31	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	1,780
	-----	-----	-----
Total Liabilities	3,851	498	4,371
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Debt Service	-	38	-
Reserved for Encumbrances	7,596	-	-
Reserved for Inventory of Supplies	755	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	8,392	-	(1,736)
Retained Earnings (Deficit)			
Unreserved:	-	-	-
	-----	-----	-----
Total Fund Balance (Deficit)	16,743	38	(1,736)
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 20,594	\$ 536	\$ 2,635
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Assets		
Equity in Pooled Cash	\$ 9	\$ 6,794
Other Cash	-	1
Investments	765	3,930
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	3,605
Special Assessments	-	2,538
Notes	-	-
Interfund Receivable	-	6,916
Prepaid Expenditures	-	-
Inventory of Supplies	-	755
Restricted Assets:		
Other Cash	-	-
Investments	-	-
Total Assets	\$ 774	\$ 24,539
	=====	=====
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ -	\$ 1,266
Escrow	80	1,507
Retainages	-	62
Interfund Payable	-	1,614
Due to Other Governments	-	2
Deferred Revenue	-	2,538
Other Current Liabilities	-	31
Payable From Restricted Assets:		
Notes Payable	-	1,780
Total Liabilities	80	8,800
	-----	-----
Fund Balances (Deficit):		
Reserved for Debt Service	-	38
Reserved for Encumbrances	-	7,596
Reserved for Inventory of Supplies	-	755
Reserved for Prepaid Expenditures	-	-
Unreserved:		
Designated for Subsequent Years Expenditures	-	-
Undesignated	694	7,350
Retained Earnings (Deficit)		
Unreserved:		
Total Fund Balance (Deficit)	694	15,739
	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 774	\$ 24,539
	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ 98	\$ 416
Licenses and Permits	11	-	-
Intergovernmental Services	26,145	-	-
Charges for Services	805	-	-
Investment Earnings	338	-	17
Fines and Forfeitures	904	-	-
All Other Revenue	1,728	-	-
	-----	-----	-----
Total Revenues	29,931	98	433
	-----	-----	-----
Expenditures:			
Current:			
General Government	254	-	-
Public Service	11,045	-	-
Public Safety	3,081	-	-
Public Utilities	39	-	-
Community Environment	8,427	-	-
Health	1,390	-	-
Parks and Recreation	251	-	-
Capital Outlay	3,387	-	619
Debt Service:			
Principal Retirement	566	10,751	-
Interest and Fiscal Charges	148	3,885	67
	-----	-----	-----
Total Expenditures	28,588	14,636	686
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	1,343	(14,538)	(253)
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	7,368	14,538	-
Transfers (Out)	(8,392)	-	-
Sale of Fixed Assets	68	-	-
Bond Proceeds	-	-	-
Premium on Bond	-	-	16
Other Revenue (Expenses)	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(956)	14,538	16
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	387	-	(237)
Fund Balances (Deficit) at Beginning of Year	16,249	38	(1,499)
Increase in Reserve for Inventory/Notes	107	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 16,743	\$ 38	\$ (1,736)
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Revenues:		
Special Assessments	\$ -	\$ 514
Licenses and Permits	-	11
Intergovernmental Services	-	26,145
Charges for Services	-	805
Investment Earnings	(11)	344
Fines and Forfeitures	-	904
All Other Revenue	(3)	1,725
	-----	-----
Total Revenues	(14)	30,448
	-----	-----
Expenditures:		
Current:		
General Government	-	254
Public Service	-	11,045
Public Safety	-	3,081
Public Utilities	-	39
Community Environment	-	8,427
Health	-	1,390
Parks and Recreation	-	251
Capital Outlay	-	4,006
Debt Service:		
Principal Retirement	-	11,317
Interest and Fiscal Charges	-	4,100
	-----	-----
Total Expenditures	-	43,910
	-----	-----
Excess (Deficiency) of Revenues over Expenditures	(14)	(13,462)
	-----	-----
Other Financing Sources (Uses):		
Transfers In	-	21,906
Transfers (Out)	-	(8,392)
Sale of Fixed Assets	-	68
Bond Proceeds	-	-
Premium on Bond	-	16
Other Revenue (Expenses)	-	-
	-----	-----
Total Other Financing Sources and (Uses)	-	13,598
	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(14)	136
Fund Balances (Deficit) at Beginning of Year	708	15,496
Increase in Reserve for Inventory/Notes	-	107
	-----	-----
Fund Balance (Deficit) at Year End	\$ 694	\$ 15,739
	=====	=====

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CITY OF TOLEDO, OHIO
NON-MAJOR-SPECIAL REVENUE FUNDS
DECEMBER 31, 2005

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, 2005
 (Amounts in Thousands)
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 2,197	\$ -	\$ 681
Other Cash		-	-
Investments	-	-	13
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	2,115	618	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	5,851	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
	-----	-----	-----
Total Assets	\$ 4,312	\$ 6,469	\$ 694
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 543	\$ 388	\$ -
Escrow	12	140	11
Retainages	-	7	-
Interfund Payable	-	-	-
Due to Other Governments	-	-	2
Deferred Revenue	-	-	-
Other Current Liabilities	8	-	-
	-----	-----	-----
Total Liabilities	563	535	13
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	1,921	1,530	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	1,828	4,404	681
Fund Equity Unreserved	-----	-----	-----
Total Fund Balance (Deficit)	3,749	5,934	681
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 4,312	\$ 6,469	\$ 694
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ -	\$ -	\$ 154
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	666	5	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	755	-	-
	-----	-----	-----
Total Assets	\$ 1,421	\$ 5	\$ 154
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 79	\$ -	\$ -
Escrow	-	-	-
Retainages	55	-	-
Interfund Payable	318	37	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	20	-	-
	-----	-----	-----
Total Liabilities	472	37	-
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	75	-	-
Reserved for Inventory of Supplies	755	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	119	(32)	154
Fund Equity Unreserved	-----	-----	-----
Total Fund Balance (Deficit)	949	(32)	154
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 1,421	\$ 5	\$ 154
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Assets			
Equity in Pooled Cash	\$ 250	\$ 136	\$ -
Other Cash	-	-	1
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	15	-	2
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Total Assets	\$ 265	\$ 136	\$ 3
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 2
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	-	66
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Total Liabilities	-	-	68
Fund Balances (Deficit):			
Reserved for Encumbrances	-	-	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	265	136	(65)
Fund Equity Unreserved	265	136	(65)
Total Fund Balance (Deficit)	265	136	(65)
Total Liabilities and Fund Balance (Deficit)	\$ 265	\$ 136	\$ 3

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 3,327	\$ -	\$ -
Other Cash	-	-	-
Investments	127	2,432	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	24	13	147
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	1,065
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
	-----	-----	-----
Total Assets	\$ 3,478	\$ 2,445	\$ 1,212
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 94	\$ -	\$ 24
Escrow	199	-	1,065
Retainages	-	-	-
Interfund Payable	-	388	390
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	3	-	-
	-----	-----	-----
Total Liabilities	296	388	1,479
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	-	1	4,069
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	3,182	2,056	(4,336)
Fund Equity Unreserved	-----	-----	-----
Total Fund Balance (Deficit)	3,182	2,057	(267)
	-----	-----	-----
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 3,478	\$ 2,445	\$ 1,212
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Assets	
Equity in Pooled Cash	\$ 6,745
Other Cash	1
Investments	2,572
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	3,605
Special Assessments	-
Notes	-
Interfund Receivable	6,916
Prepaid Expenditures	-
Inventory of Supplies	755

Total Assets	\$ 20,594
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 1,130
Escrow	1,427
Retainages	62
Interfund Payable	1,199
Due to Other Governments	2
Deferred Revenue	-
Other Current Liabilities	31

Total Liabilities	3,851

Fund Balances (Deficit):	
Reserved for Encumbrances	7,596
Reserved for Inventory of Supplies	755
Reserved for Prepaid Expenditures	-
Unreserved:	
Designated for Subsequent Years Expenditures	-
Undesignated	8,392
Fund Equity	
Unreserved	-

Total Fund Balance (Deficit)	16,743

Total Liabilities and Fund Balance (Deficit)	\$ 20,594
	=====

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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, 2005
 (Amounts in Thousands)
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	1	-
Intergovernmental Services	8,042	7,908	-
Charges for Services	92	107	-
Investment Earnings	7	7	5
Fines and Forfeitures	-	852	-
All Other Revenue	349	22	1
Total Revenues	8,490	8,897	6
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	2,205	-
Public Utilities	-	-	-
Community Environment	8,406	3,054	-
Health	-	1,346	-
Parks and Recreation	-	10	-
Capital Outlay	27	788	-
Debt Service:			
Principal Retirement	566	-	-
Interest and Fiscal Charges	148	-	-
Total Expenditures	9,147	7,403	-
Excess (Deficiency) of Revenues over Expenditures	(657)	1,494	6
Other Financing Sources (Uses):			
Transfers In	825	271	-
Transfers (Out)	(451)	(84)	-
Note Proceeds	-	-	-
Sale of Fixed Assets	68	-	-
Total Other Financing Sources and (Uses)	442	187	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(215)	1,681	6
Fund Balances (Deficit) at Beginning of Year	3,964	4,253	675
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 3,749	\$ 5,934	\$ 681

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, 2005
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	10	-	-
Intergovernmental Services	12,523	-	-
Charges for Services	5	-	174
Investment Earnings	-	21	-
Fines and Forfeitures	52	-	-
All Other Revenue	31	-	-
	-----	-----	-----
Total Revenues	12,621	21	174
	-----	-----	-----
Expenditures:			
Current:			
General Government	107	-	-
Public Service	11,045	-	-
Public Safety	107	-	-
Public Utilities	39	-	-
Community Environment	10	-	-
Health	-	7	-
Parks and Recreation	-	-	-
Capital Outlay	2,572	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	13,880	7	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	(1,259)	14	174
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers (Out)	(534)	-	(150)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(534)	-	(150)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,793)	14	24
Fund Balances (Deficit) at Beginning of Year	2,635	(46)	130
Increase in Reserve for Inventory/Notes	107	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 949	\$ (32)	\$ 154
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	-	-	-
Charges for Services	-	74	125
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	46	-	-
Total Revenues	46	74	125
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	-	-
Public Utilities	-	-	-
Community Environment	-	-	-
Health	-	17	-
Parks and Recreation	-	-	109
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	-	17	109
Excess (Deficiency) of Revenues over Expenditures	46	57	16
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	46	57	16
Fund Balances (Deficit) at Beginning of Year	219	79	(81)
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 265	\$ 136	\$ (65)

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, 2005
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	(4,445)	-	2,117
Charges for Services	228	-	-
Investment Earnings	202	96	-
Fines and Forfeitures	-	-	-
All Other Revenue	1,279	-	-
Total Revenues	(2,736)	96	2,117
Expenditures:			
Current:			
General Government	104	43	-
Public Service	-	-	-
Public Safety	769	-	-
Public Utilities	-	-	-
Community Environment	-	-	(3,043)
Health	20	-	-
Parks and Recreation	132	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	1,025	43	(3,043)
Excess (Deficiency) of Revenues over Expenditures	(3,761)	53	5,160
Other Financing Sources (Uses):			
Transfers In	5,272	868	132
Transfers (Out)	(1,010)	(941)	(5,222)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
Total Other Financing Sources and (Uses)	4,262	(73)	(5,090)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	501	(20)	70
Fund Balances (Deficit) at Beginning of Year	2,681	2,077	(337)
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 3,182	\$ 2,057	\$ (267)

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, 2005
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Revenues:	
Special Assessments	\$ -
Licenses and Permits	11
Intergovernmental Services	26,145
Charges for Services	805
Investment Earnings	338
Fines and Forfeitures	904
All Other Revenue	1,728

Total Revenues	29,931

Expenditures:	
Current:	
General Government	254
Public Service	11,045
Public Safety	3,081
Public Utilities	39
Community Environment	8,427
Health	1,390
Parks and Recreation	251
Capital Outlay	3,387
Debt Service:	
Principal Retirement	566
Interest and Fiscal Charges	148

Total Expenditures	28,588

Excess (Deficiency) of Revenues over Expenditures	1,343

Other Financing Sources (Uses):	
Transfers In	7,368
Transfers (Out)	(8,392)
Note Proceeds	-
Sale of Fixed Assets	68

Total Other Financing Sources and (Uses)	(956)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	387
Fund Balances (Deficit) at Beginning of Year	16,249
Increase in Reserve for Inventory/Notes	107

Fund Balance (Deficit) at Year End	\$ 16,743
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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, 2005
(Amounts in Thousands)
(Continued)

Federal Block Grants

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	6,213	15,010	8,042	(6,968)
Charges for Services	-	15	92	77
Investment Earnings	-	13	7	(6)
Fines and Forfeitures	-	-	-	-
All Other Revenue	19	679	349	(330)
Total Revenues	6,232	15,717	8,490	(7,227)
Expenditures:				
Current:				
General Government	9	15	-	15
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	8,008	17,250	8,406	8,844
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	179	458	27	431
Debt Service:				
Principal Retirement	21	918	566	352
Interest and Fiscal Charges	59	212	148	64
Total Expenditures	8,276	18,853	9,147	9,706
Excess (Deficiency) of Revenues over Expenditures	(2,044)	(3,136)	(657)	2,479
Other Financing Sources (Uses):				
Transfers In	-	825	825	-
Transfers (Out)	(408)	(658)	(451)	207
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	69	68	(1)
Total Other Financing Sources and (Uses)	(408)	236	442	206
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (2,452)	\$ (2,900)	(215)	\$ 2,685
Fund Balances (Deficit) at Beginning of Year			3,964	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 3,749	

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, 2005
(Amounts in Thousands)
(Continued)

	Operation Grants			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	1	1
Intergovernmental Services	16,284	21,416	7,908	(13,508)
Charges for Services	-	-	107	107
Investment Earnings	-	12	7	(5)
Fines and Forfeitures	-	361	852	491
All Other Revenue	14	42	22	(20)
Total Revenues	16,298	21,831	8,897	(12,934)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	3,651	5,331	2,205	3,126
Public Utilities	1	1	-	1
Community Environment	9,725	11,081	3,054	8,027
Health	3,050	4,391	1,346	3,045
Parks and Recreation	11	24	10	14
Capital Outlay	1,486	3,114	788	2,326
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	17,924	23,942	7,403	16,539
Excess (Deficiency) of Revenues over Expenditures	(1,626)	(2,111)	1,494	3,605
Other Financing Sources (Uses):				
Transfers In	200	278	271	(7)
Transfers (Out)	-	(84)	(84)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	200	194	187	(7)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (1,426)	\$ (1,917)	1,681	\$ 3,598
Fund Balances (Deficit) at Beginning of Year			4,253	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 5,934	

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, 2005
(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	-	-	5	5
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	1	1
Total Revenues	365	365	6	(359)
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	6	(39)
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	6	\$ (39)
Fund Balances (Deficit) at Beginning of Year			675	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 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, 2005
(Amounts in Thousands)
(Continued)

	Street Construction Maintenance and Repair			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	58	58	10	(48)
Intergovernmental Services	13,192	13,182	12,523	(659)
Charges for Services	10	10	5	(5)
Investment Earnings	-	-	-	-
Fines and Forfeitures	52	52	52	-
All Other Revenue	2	2	31	29
Total Revenues	13,314	13,304	12,621	(683)
Expenditures:				
Current:				
General Government	(100)	113	107	6
Public Service	11,877	12,064	11,045	1,019
Public Safety	113	113	107	6
Public Utilities	907	926	39	887
Community Environment	10	10	10	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	132	2,572	2,572	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	12,939	15,798	13,880	1,918
Excess (Deficiency) of Revenues over Expenditures	375	(2,494)	(1,259)	1,235
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	(534)	(534)	(534)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(534)	(534)	(534)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (159)	\$ (3,028)	(1,793)	\$ 1,235
Fund Balances (Deficit) at Beginning of Year			2,635	
Increase in Reserve for Inventory			107	
Fund Balance (Deficit) at Year End			\$ 949	

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, 2005
(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	21	6
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	15	15	21	6
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	14	14	7	7
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	14	14	7	7
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	1	1	14	13
	-----	-----	-----	-----
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	\$ 1	\$ 1	14	\$ 13
	=====	=====		=====
Fund Balances (Deficit) at Beginning of Year			(46)	
Increase in Reserve for Inventory			-	

Fund Balance (Deficit) at Year End			\$ (32)	
			=====	

City of Toledo, Ohio
Special Revenue Funds
Schedule of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2005
(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	174	4
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	170	170	174	4
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	170	170	174	4
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	\$ 20	\$ 20	24	\$ 4
Fund Balances (Deficit) at Beginning of Year			130	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 154	

City of Toledo, Ohio
 Special Revenue Funds
 Schedule of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2005
 (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	-	-	46	46
Total Revenues	7	7	46	39
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	7	7	46	39
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	\$ 7	\$ 7	46	\$ 39
Fund Balances (Deficit) at Beginning of Year			219	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 265	

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, 2005
(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	74	52
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	22	22	74	52
	-----	-----	-----	-----
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	57	55
	-----	-----	-----	-----
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	57	\$ 55
	=====	=====		=====
Fund Balances (Deficit) at Beginning of Year			79	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 136	
			=====	

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, 2005
 (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	125	5
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	120	120	125	5
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	120	120	109	11
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	120	120	109	11
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	-	-	16	16
	-----	-----	-----	-----
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	\$ -	\$ -	16	\$ 16
	=====	=====		=====
Fund Balances (Deficit) at Beginning of Year			(81)	
Increase in Reserve for Inventory			-	

Fund Balance (Deficit) at Year End			\$ (65)	
			=====	

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, 2005
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	(4,455)	(4,445)	10
Charges for Services	117	117	228	111
Investment Earnings	-	(2)	202	204
Fines and Forfeitures	-	-	-	-
All Other Revenue	27	27	1,279	1,252
Total Revenues	144	(4,313)	(2,736)	1,577
Expenditures:				
Current:				
General Government	1,566	1,733	104	1,629
Public Service	-	-	-	-
Public Safety	869	1,612	769	843
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	231	371	20	351
Parks and Recreation	346	432	132	300
Capital Outlay	-	-	-	-
Debt Service:	-	-	-	-
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,012	4,148	1,025	3,123
Excess (Deficiency) of Revenues over Expenditures	(2,868)	(8,461)	(3,761)	4,700
Other Financing Sources (Uses):				
Transfers In	-	50	5,272	5,222
Transfers (Out)	(132)	(1,162)	(1,010)	152
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(132)	(1,112)	4,262	5,374
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3,000)	\$ (9,573)	\$ 501	\$ 10,074
Fund Balances (Deficit) at Beginning of Year			2,681	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 3,182	

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, 2005
(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	90	90	96	6
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	90	90	96	6
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	18	77	43	34
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	18	77	43	34
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	72	13	53	40
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	868	868	-
Transfers (Out)	(634)	(941)	(941)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	(634)	(73)	(73)	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (562)	\$ (60)	(20)	\$ 40
	=====	=====		=====
Fund Balances (Deficit) at Beginning of Year			2,077	
Increase in Reserve for Inventory			-	

Fund Balance (Deficit) at Year End			\$ 2,057	
			=====	

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, 2005
 (Amounts in Thousands)
 (Continued)

Toledo Home Program

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	7,470	10,245	2,117	(8,128)
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	7,470	10,245	2,117	(8,128)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	7,040	4,675	(3,043)	7,718
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	11	-	11
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	7,040	4,686	(3,043)	7,729
Excess (Deficiency) of Revenues over Expenditures	430	5,559	5,160	(399)
Other Financing Sources (Uses):				
Transfers In	-	132	132	-
Transfers (Out)	-	(5,222)	(5,222)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	(5,090)	(5,090)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 430	\$ 469	70	\$ (399)
Fund Balances (Deficit) at Beginning of Year	=====	=====	(337)	=====
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (267)	
			=====	

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, 2005
(Amounts in Thousands)
(Continued)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	58	58	11	(47)
Intergovernmental Services	43,524	55,763	26,145	(29,618)
Charges for Services	446	461	805	344
Investment Earnings	105	128	338	210
Fines and Forfeitures	52	413	904	491
All Other Revenue	62	750	1,728	978
Total Revenues	44,247	57,573	29,931	(27,642)
Expenditures:				
Current:				
General Government	1,493	1,938	254	1,684
Public Service	11,877	12,064	11,045	1,019
Public Safety	4,633	7,056	3,081	3,975
Public Utilities	908	927	39	888
Community Environment	24,911	33,144	8,427	24,717
Health	3,315	4,796	1,390	3,406
Parks and Recreation	477	576	251	325
Capital Outlay	1,989	6,347	3,387	2,960
Debt Service:				
Principal Retirement	21	918	566	352
Interest and Fiscal Charges	59	212	148	64
Total Expenditures	49,683	67,978	28,588	39,390
Excess (Deficiency) of Revenues over Expenditures	(5,436)	(10,405)	1,343	11,748
Other Financing Sources (Uses):				
Transfers In	200	2,153	7,368	5,215
Transfers (Out)	(1,858)	(8,751)	(8,392)	359
Note Proceeds	0	0	0	-
Sale of Fixed Assets	0	69	68	(1)
Total Other Financing Sources and (Uses)	(1,658)	(6,529)	(956)	5,573
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (7,094)	\$ (16,934)	387	\$ 17,321
Fund Balances (Deficit) at Beginning of Year			16,249	
Increase in Reserve for Inventory			107	
Fund Balance (Deficit) at Year End			\$ 16,743	

CITY OF TOLEDO, OHIO
NON-MAJOR-DEBT SERVICE FUNDS
DECEMBER 31, 2005

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, 2005
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Fund
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 2	\$ 38	\$ 40
Receivables (Net of Allowance for Uncollectible Accounts):			
Special Assessments	-	496	496
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ 2	\$ 534	\$ 536
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 2	\$ -	\$ 2
Deferred Revenue	-	496	496
	-----	-----	-----
Total Liabilities	2	496	498
	-----	-----	-----
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)	\$ 2	\$ 534	\$ 536
	=====	=====	=====

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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, 2005
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Funds
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ 98	\$ 98
Intergovernmental Services	-	-	-
Investment Earnings	-	-	-
Total Revenues	----- -	----- 98	----- 98
Expenditures:			
Debt Service:			
Principal Retirement	10,670	81	10,751
Interest and Fiscal Charges	3,868	17	3,885
Total Expenditures	----- 14,538	----- 98	----- 14,636
Excess (Deficiency) of Revenues over Expenditures	----- (14,538)	----- -	----- (14,538)
Other Financing Sources (Uses):			
Transfers In	14,538	-	14,538
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	----- 14,538	----- -	----- 14,538
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	----- -	----- -	----- -
Fund Balances (Deficit) at Beginning of Year	----- -	----- 38	----- 38
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, 2005
 (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	10,670	10,670	10,670	-
Interest and Fiscal Charges	3,903	3,871	3,868	3
Total Expenditures	14,573	14,541	14,538	3
Excess (Deficiency) of Revenues over Expenditures	(14,573)	(14,541)	(14,538)	(3)
Other Financing Sources (Uses):				
Transfers In	14,573	14,541	14,538	3
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	14,573	14,541	14,538	3
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, 2005
 (Amounts in Thousands)

	Special Assessment Debt Service			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 100	\$ 100	98	\$ (2)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	100	100	98	(2)
Expenditures:				
Debt Service:				
Principal Retirement	81	81	81	-
Interest and Fiscal Charges	22	22	17	5
Total Expenditures	103	103	98	5
Excess (Deficiency) of Revenues over Expenditures	(3)	(3)	-	3
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	\$ (3)	\$ (3)	\$ -	\$ 3
Fund Balances (Deficit) at Beginning of Year			38	
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, 2005
 (Amounts in Thousands)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 100	\$ 100	\$ 98	\$ (2)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	100	100	98	(2)
Expenditures:				
Debt Service:				
Principal Retirement	10,751	10,751	10,751	-
Interest and Fiscal Charges	3,925	3,893	3,885	8
Total Expenditures	14,676	14,644	14,636	8
Excess (Deficiency) of Revenues over Expenditures	(14,576)	(14,544)	(14,538)	6
Other Financing Sources (Uses):				
Transfers In	14,573	14,541	14,538	(3)
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	14,573	14,541	14,538	(3)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (3)	\$ (3)	\$ -	\$ 3
Fund Balances (Deficit) at Beginning of Year	=====	=====	38	=====
Fund Balance (Deficit) at Year End			\$ 38	=====

**CITY OF TOLEDO, OHIO
NON-MAJOR-CAPITAL PROJECTS FUND
DECEMBER 31, 2005**

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, 2005
 (Amounts in Thousands)

	Special Assessment Improvements

Assets	
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	\$ -
Special Assessments	2,042
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Investments	593

Total Assets	\$ 2,635
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 134
Escrow	-
Retainages	-
Interfund Payable	415
Due to Other Governments	-
Deferred Revenue	2,042
Other Current Liabilities	
Debt:	
Notes Payable	1,780

Total Liabilities	4,371

Fund Balances (Deficit):	
Reserved for Encumbrances	-
Reserved for Inventory of Supplies	-
Reserved for Capital Improvements	-
Reserved for Prepaid Expenditures	-
Undesignated	(1,736)

Total Fund Balance (Deficit)	(1,736)

Total Liabilities and Fund Balance (Deficit)	\$ 2,635
	=====

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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, 2005
 (Amounts in Thousands)

	Special Assessment Improvements

Revenues:	
Special Assessments	\$ 416
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	17
All Other Revenue	-

Total Revenues	433

Expenditures:	
Capital Outlay	619
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	67

Total Expenditures	686

Excess (Deficiency) of Revenues over Expenditures	(253)

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	(237)
Fund Balances (Deficit) at Beginning of Year	(1,499)
Increase in Reserve for Inventory	-

Fund Balance (Deficit) at Year End	\$ (1,736)
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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, 2005
 (Amounts in Thousands)

	Special Assessment Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 306	\$ 306	\$ 416	\$ 110
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	17	17
All Other Revenue	-	-	-	-
Total Revenues	306	306	433	127
Expenditures:				
Capital Outlay	255	950	619	331
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	473	528	67	461
Total Expenditures	728	1,478	686	792
Excess (Deficiency) of Revenues over Expenditures	(422)	(1,172)	(253)	919
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Bond Proceeds	1,585	1,585	-	(1,585)
Premiums on Bond	-	-	16	16
Total Other Financing Sources and (Uses)	1,585	1,585	16	(1,569)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 1,163	\$ 413	(237)	\$ (650)
Fund Balances (Deficit) at Beginning of Year			(1,499)	
Fund Balance (Deficit) at Year End			\$ (1,736)	

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**CITY OF TOLEDO, OHIO
NON-MAJOR-PERMANENT FUND
DECEMBER 31, 2005**

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, 2005
 (Amounts in Thousands)

	Permanent Fund
<hr/>	
Assets	
Equity in Pooled Cash	\$ 9
Investments	765
	<hr/>
Total Assets	\$ 774
	<hr/> <hr/>
Liabilities and Fund Balances	
Liabilities	
Escrow	80
Retainages	-
Interfund Payable	-
Due to Other Governments	-
Deferred Revenue	-
Other Current Liabilities	-
Payable From Restricted Assets:	
Notes Payable	-
	<hr/>
Total Liabilities	80
	<hr/>
Fund Balances (Deficit):	
Undesignated	694
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Total Fund Balance (Deficit)	694
	<hr/>
Total Liabilities and Fund Balance (Deficit)	\$ 774
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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, 2005
 (Amounts in Thousands)

	Permanent Fund

Revenues:	
Investment Earnings (Loss)	\$ (11)
All Other Revenue	(3)

Total Revenues	(14)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(14)
Fund Balances (Deficit) at Beginning of Year	708
Increase in Reserve for Inventory/Notes	-

Fund Balance (Deficit) at Year End	\$ 694
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**CITY OF TOLEDO, OHIO
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005**

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.

Municipal Tow Lot – To account for the revenues and expenditures of the one centralized location for the storage and the subsequent release of vehicles ordered to be impounded by the Toledo Police Department.

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, 2005
 (Amounts in Thousands)

	Non Major Enterprise Funds						Total Non Major Enterprise
	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	
Assets							
Current Assets							
Equity in Pooled Cash	\$ 1,076	\$ -	\$ -	\$ 1,842	\$ 297	\$ 157	\$ 3,372
Other Cash	-	-	-	-	-	-	-
Investments	10,091	9,396	-	698	14	589	20,788
Receivables (Net of Allowance for Uncollectible Accounts):							
Accounts	1,490	21	-	24	146	47	1,728
Notes	-	-	-	18,003	-	-	18,003
Interfund Receivable	7,858	-	-	-	-	-	7,858
Due From Other Governments	121	-	-	-	-	-	121
Prepaid Expenses	34	15	-	-	-	-	49
Inventory of Supplies	-	9	-	-	-	-	9
Total Current Assets	20,670	9,441	-	20,567	457	793	51,928
Property, Plant and Equipment							
Land	-	-	6,549	1,550	153	697	8,949
Buildings	-	4,538	23,644	667	-	-	28,849
Improvements	1,627	53	805	2,207	1,406	1,624	7,722
Machinery and Equipment	490	596	271	-	35	-	1,392
Furniture and Fixtures	-	605	9	-	3	-	617
Distribution System	-	-	-	-	-	-	-
Construction in Progress	10,741	-	-	-	-	-	10,741
Less: Accumulated Depreciation	(277)	(3,756)	(8,628)	(964)	(875)	-	(14,500)
Net Property, Plant and Equipment	12,581	2,036	22,650	3,460	722	2,321	43,770
Other Assets:							
Deferred Debt Issuance Cost	-	-	-	-	-	-	-
Total Assets	\$ 33,251	\$ 11,477	\$ 22,650	\$ 24,027	\$ 1,179	\$ 3,114	\$ 95,698

City of Toledo, Ohio
 Enterprise Funds
 Combining Balance Sheet
 December 31, 2005
 (Amounts in Thousands)
 (Continued)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	Total Non Major Enterprise
Liabilities and Fund Equity							
Current Liabilities:							
Accounts Payable	\$ 24	\$ 46	\$ -	\$ -	\$ -	59	129
Escrow	-	-	33	-	-	-	33
Retainages	119	-	-	-	-	-	119
Interfund Payable	10,786	6,212	435	128	-	-	17,561
Due to Other Governments	-	-	-	-	-	-	-
Other Current Liabilities	-	13	6	-	38	-	57
Total Current Liabilities	10,929	6,271	474	128	38	59	17,899
Long-Term Debt:							
Current Portion	-	-	-	-	-	-	-
Notes Payable	2,119	-	6,873	-	-	2,835	11,827
General Obligation Bonds Payable	-	-	935	25,248	-	-	26,183
Revenue Bonds Payable	-	-	-	-	-	-	-
Capital Lease Obligation	-	2,553	-	-	-	-	2,553
Total Long-Term Liabilities	2,119	2,553	7,808	25,248	-	2,835	40,563
Total Liabilities	13,048	8,824	8,282	25,376	38	2,894	58,462
Net Assets							
Invested in Capital Assets net of related debt:	10,463	(516)	14,842	(21,787)	721	(513)	3,210
Reserved for Debt Service	330	-	-	-	-	-	330
Reserved for Replacement	1,184	-	-	-	-	-	1,184
Reserved for Improvement	17,633	-	-	-	-	-	17,633
Unrestricted	(9,407)	3,169	(474)	20,438	420	733	14,879
Total Net Assets	\$ 20,203	\$ 2,653	\$ 14,368	\$ (1,349)	\$ 1,141	\$ 220	\$37,236

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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, 2005
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	Total
Operating Revenues:							
Charges for Services	\$ 8,637	\$ 9,870	\$ 694	\$ 264	\$ 38	\$ 451	\$ 19,954
Other Revenue	-	418	742	-	-	77	1,237
Total Operating Revenues	8,637	10,288	1,436	264	38	528	21,191
Operating Expenses:							
Personal Services	3,887	6,007	-	-	11	-	9,905
Contractual Services	2,803	946	-	64	23	236	4,072
Materials and Supplies	242	489	-	-	-	29	760
Utilities	3	63	-	-	13	2	81
Depreciation and Amortization	45	342	578	139	-	-	1,104
Total Operating Expenses	6,980	7,847	578	203	47	267	15,922
Operating Income (Loss)	1,657	2,441	858	61	(9)	261	5,269
Nonoperating Revenues (Expenses):							
Investment Earnings	269	81	-	569	-	5	924
Interest Expense and Fiscal Charges	(38)	(252)	(522)	(1,497)	-	(46)	(2,355)
Other Revenue (Expenses)	(241)	-	-	786	-	-	545
Total Nonoperating Revenues (Expenses)	(10)	(171)	(522)	(142)	-	(41)	(886)
Income (Loss) before Operating Transfers	1,647	2,270	336	(81)	(9)	220	4,383
Operating Transfers In	-	-	-	939	-	-	939
Operating Transfers (Out)	-	-	(50)	-	-	-	(50)
Total Operating Transfers In (Out)	-	-	(50)	939	-	-	889
Net Income (Loss)	1,647	2,270	286	858	(9)	220	5,272
Net Assets at Beginning of Year	18,556	383	14,082	(2,207)	1,150	-	31,964
Net Assets at End of Year	20,203	2,653	14,368	(1,349)	1,141	220	37,236

City of Toledo, Ohio
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2005
(Amounts in Thousands)
(Unaudited)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Business Development	TOW IOT	Non-Major Enterprise
Cash Flows from Operating Activity							
Receipts from Customers	\$ 8,976	\$ 9,881	\$ 693	\$ 464	\$ 35	\$ 405	\$ 20,454
Payments to Suppliers	(1,029)	(822)	(14)	(167)	(36)	(209)	(2,277)
Payment to Employees	(3,887)	(6,007)	-	-	(11)	-	(9,905)
Internal Activity							
Other Payments		418	742			77	1,237
Net Cash Provided by (Used for) Operating Activity	4,060	3,470	1,421	297	(12)	273	9,509
Cash Flows from Noncapital Financing Activities							
Transfers In	-	-	-	939	-	-	939
Transfers Out	-	-	(50)	-	-	-	(50)
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	(50)	939	-	-	889
Cash Flows from Capital & Related Financing Activities							
Acquisition and Construction of Capital Assets	(3,043)	(11)	-	281	-	(2,322)	(5,095)
Principal Paid on Bond Maturities	(208)	(538)	(849)	(456)	-	-	(2,051)
Issuance of Revenue Bonds and Notes	-	-	-	-	-	2,835	2,835
Federal Grants	-	-	-	-	-	-	-
Interest Expense and Fiscal Charges	(38)	(252)	(522)	(1,497)	-	(46)	(2,355)
Proceeds from Sale of Capital Assets/Grants/Other expenses	-	-	-	1,725	-	-	1,725
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,289)	(801)	(1,371)	53	-	467	(4,941)
Cash Flows from Investing Activities							
Purchase of Investment Securities	(7,953)	(87,969)	-	(553)	-	-	(96,475)
Sale and Maturities of Investment Securities	8,229	85,218	-	538	-	(589)	93,396
Investment Earnings and Dividends on Investments	269	81	-	569	-	5	924
Other Revenues (Expenses)	(241)	-	-	-	-	-	(241)
Net Cash Provided by (Used for) Investing Activities	304	(2,670)	-	554	-	(584)	(2,396)
Net Increase (Decrease) in Cash & Cash Equivalents	1,075	(1)	-	1,843	(12)	156	3,061
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	-	-	-	-	-	-	309
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ 1,075	\$ (1)	\$ -	\$ 1,843	\$ 297	\$ 156	\$ 3,370

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2005
 (Amounts in Thousands)
 (Unaudited)

	Storm Sewer	Utility Administrative Services	Parking	Property Management Development	Small Business Development	TOW LOT	Non Major Enterprise
Cash Flows from Operating Activity:							
Operating Income (Loss)	\$ 1,657	\$ 2,441	\$ 857	\$ (878)	\$ (9)	\$ 260	\$ 4,328
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization	45	342	578	139	-	-	1,104
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	339	11	-	1,139	(3)	(46)	1,440
(Increase) Decrease in Prepaid Expenses	0	49	-	-	-	-	49
(Increase) Decrease in Interfund Receivable	2,443	-	-	-	-	-	2,443
(Increase) Decrease in Due from Other Governments	0	-	-	-	-	-	-
(Increase) Decrease in Deferred Debt Issuance Costs	0	-	-	-	-	-	-
(Increase) Decrease in Inventory of Supplies	0	13	-	-	-	-	13
Increase (Decrease) in Accounts Payable	(29)	(68)	-	-	-	59	(38)
Increase (Decrease) in Escrow	0	-	12	-	-	-	12
Increase (Decrease) in Retainage	109	-	-	-	-	-	109
Increase (Decrease) in Interfund Payable	(504)	659	(23)	(103)	-	-	29
Increase (Decrease) in Other Current Liabilities	0	23	(3)	-	-	-	20
Total Adjustments	2,403	1,029	564	1,175	(3)	13	5,181
Net Cash Provided by (Used for) Operating Activities	\$ 4,060	\$ 3,470	\$ 1,421	\$ 297	\$ (12)	\$ 273	\$ 9,509

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CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005

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, 2005
(Amounts in Thousands)
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop
Assets			
Current Assets			
Equity in Pooled Cash	\$ -	\$ 7,537	\$ -
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	54	4	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	793	-	6
Investments at Cost	-	4,156	-
Total Current Assets	847	11,697	6
Property, Plant and Equipment			
Land	350	-	-
Buildings	1,111	-	-
Improvements	173	161	-
Machinery and Equipment	55,551	2,147	61
Furniture and Fixtures	11	19	4
Less: Accumulated Depreciation	(44,413)	(1,216)	(66)
Net Property, Plant and Equipment	12,783	1,111	(1)
Total Assets	\$ 13,630	\$ 12,808	\$ 5
Liabilities and Fund Equity			
Current Liabilities:			
Accounts Payable	\$ 554	\$ 671	\$ 21
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	648	-	706
Other Current Liabilities	-	-	-
Total Current Liabilities	1,202	671	727
Debt:			
Current Portion	-	-	-
Notes Payable	-	9,110	-
General Obligation Bonds Payable	-	-	-
Total Long-Term Liabilities	-	9,110	-
Total Liabilities	1,202	9,781	727
Net Assets			
Invested in Capital Assets net of Related Debt	12,782	(7,999)	(1)
Reserved for Replacement	-	2,001	-
Unreserved	(354)	9,025	(721)
Total Net Assets	\$ 12,428	\$ 3,027	\$ (722)

City of Toledo, Ohio
Internal Service Funds
Combining Balance Sheet
December 31, 2005
(Amounts in Thousands)
(Continued)

	Data Processing	Risk Management	Workers' Compensation	Total
Assets				
Current Assets				
Equity in Pooled Cash	\$ 159	\$ 4,395	\$ -	\$ 12,091
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	-	1	-	59
Interfund Receivable	-	1,271	14,827	16,098
Prepaid Expenditures	-	-	-	-
Inventory of Supplies	-	-	-	799
Investments at Cost	-	-	-	4,156
Total Current Assets	159	5,667	14,827	33,203
Property, Plant and Equipment				
Land	-	-	-	350
Buildings	-	-	-	1,111
Improvements	-	-	1	335
Machinery and Equipment	296	18	51	58,124
Furniture and Fixtures	64	-	-	98
Less: Accumulated Depreciation	(361)	(10)	(29)	(46,095)
Net Property, Plant and Equipment	(1)	8	23	13,923
Total Assets	\$ 158	\$ 5,675	\$ 14,850	\$ 47,126
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable	\$ 60	\$ 14	\$ 42	\$ 1,362
Escrow	-	1,271	-	1,271
Retainages	-	-	-	-
Interfund Payable	-	-	-	1,354
Other Current Liabilities	-	1,583	14,769	16,352
Total Current Liabilities	60	2,868	14,811	20,339
Debt:				
Current Portion	-	-	-	-
Notes Payable	-	-	-	9,110
General Obligation Bonds Payable	-	-	-	-
Total Long-Term Liabilities	-	-	-	9,110
Total Liabilities	60	2,868	14,811	29,449
Net Assets				
Invested in Capital Assets net of Related Debt	(1)	8	24	4,813
Reserved for Replacement	-	-	-	2,001
Unreserved	99	2,799	15	10,863
Total Net Assets	\$ 98	\$ 2,807	\$ 39	\$ 17,677

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2005
(Amounts in Thousands)
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
Operating Revenues:				
Charges for Services	\$ 9,378	\$ 2,948	\$ 688	\$ 2,277
Other Revenue	117	-	-	-
Total Operating Revenues	9,495	2,948	688	2,277
Operating Expenses:				
Personal Services	3,797	-	54	1,283
Contractual Services	843	-	74	786
Materials and Supplies	4,863	-	515	41
Utilities	22	-	-	50
Depreciation and Amortization	3,457	156	1	-
Total Operating Expenses	12,982	156	644	2,160
Operating Income (Loss)	(3,487)	2,792	44	117
Nonoperating Revenues (Expenses):				
Interest Revenue	-	126	-	-
Interest Expense and Fiscal Charges	-	(264)	-	-
Other Revenue (Expenses)	-	87	-	-
Total Nonoperating Revenues (Expenses)	-	(51)	-	-
Income (Loss) before Operating Transfers	(3,487)	2,741	44	117
Operating Transfers In	4,126	-	-	-
Operating Transfers (Out)	-	(3,448)	-	-
Total Operating Transfers In (Out)	4,126	(3,448)	-	-
Net Income (Loss)	639	(707)	44	117
Net Assets at Beginning of Year	11,789	3,734	(766)	(19)
Net Assets at End of Year	\$ 12,428	\$ 3,027	\$ (722)	\$ 98

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2005
(Amounts in Thousands)
(Continued)

	Risk Management	Workers' Compensation	Total
Operating Revenues:			
Charges for Services	\$ 1,013	\$ 5,225	\$ 21,529
Other Revenue	-	55	172
Total Operating Revenues	1,013	5,280	21,701
Operating Expenses:			
Personal Services	80	224	5,438
Contractual Services	1,398	5,020	8,121
Materials and Supplies	-	5	5,424
Utilities	-	-	72
Depreciation and Amortization	1	5	3,620
Total Operating Expenses	1,479	5,254	22,675
Operating Income (Loss)	(466)	26	(974)
Nonoperating Revenues (Expenses):			
Interest Revenue	-	-	126
Interest Expense and Fiscal Charges	-	-	(264)
Other Revenue (Expenses)	-	-	87
Total Nonoperating Revenues (Expenses)	-	-	(51)
Income (Loss) before Operating Transfers	(466)	26	(1,025)
Operating Transfers In	180	-	4,306
Operating Transfers (Out)	-	-	(3,448)
Total Operating Transfers In (Out)	180	-	858
Net Income (Loss)	(286)	26	(167)
Net Assets at Beginning of Year	3,093	13	17,844
Net Assets at End of Year	\$ 2,807	\$ 39	\$ 17,677

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2005
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Receipts from Customers	\$ 9,281	\$ 3,190	\$ 688	\$ 2,277	\$ 1,013	\$ 5,225	\$ 21,674
Payments to Suppliers	(5,692)	-	(634)	(836)	(1,508)	(18,823)	(27,493)
Payments to Employees	(3,797)	-	(54)	(1,282)	(80)	(224)	(5,437)
Other Receipts	208	-	-	-	-	55	263
Net Cash Provided by (Used for) Operating Activities	-	3,190	-	159	(575)	(13,767)	(10,993)
Cash Flow from Noncapital Financing Activities:							
Operating Transfers In	4,126	-	-	-	180	-	4,306
Operating Transfers Out	-	(3,448)	-	-	-	-	(3,448)
Net Cash Provided by (Used for) Noncapital Financing Activities	4,126	(3,448)	-	-	180	-	858
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(4,126)	-	-	-	-	-	(4,126)
Principal Paid on Bond Maturities	-	(15,047)	-	-	-	-	(15,047)
Issuance of Revenue Bonds and Notes	-	18,220	-	-	-	-	18,220
Interest Expense and Fiscal Charges	-	(263)	-	-	-	-	(263)
Proceeds on Sale of Capital Assets	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(4,126)	2,910	-	-	-	-	(1,216)
Cash Flows from Investing Activities:							
(Purchase) of Investment Securities	-	(23,103)	-	-	-	-	(23,103)
Sale of Investment Securities	-	21,666	-	-	-	-	21,666
Investment Earnings and Dividends on Investments	-	125	-	-	-	-	125
Other Revenues (Expenses)	-	87	-	-	-	-	87
Net Cash Provided by (Used for) Investing Activities	-	(1,225)	-	-	-	-	(1,225)
Net Increase (Decrease) in Cash and Cash Equivalents at Beginning of Year	-	1,427	-	159	(395)	(13,767)	(12,576)
Cash and Cash Equivalents at End of Year	-	6,110	-	-	4,789	13,767	24,666
Cash and Cash Equivalents at End of Year	\$ -	\$ 7,537	\$ -	\$ 159	\$ 4,394	\$ -	\$ 12,090

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2005
 (Amounts in Thousands)

Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
---------------------	------------------------	--------------------------	--------------------	--------------------	-------------------------	-------

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2005
 (Amounts in Thousands)

Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
---------------------	------------------------	--------------------------	--------------------	--------------------	-------------------------	-------

Cash Flows from Operating Activity:
 Operating Income (Loss)

\$ (3,489)	\$ 2,792	\$ 44	\$ 117	\$ (466)	\$ 26	\$ (976)
------------	----------	-------	--------	----------	-------	----------

Adjustments to Reconcile Operating Income (Loss)
 To Net Cash Provided by Operating Activities:
 Depreciation and Amortization

3,457	156	1	-	1	5	3,620
-------	-----	---	---	---	---	-------

Change in Assets and Liabilities:

(Increase) Decrease in Accounts Receivable
 (Increase) Decrease in Interfund Receivable
 (Increase) Decrease in Inventory
 Increase (Decrease) in Accounts Payable
 Increase (Decrease) in Interfund Payable
 Increase (Decrease) in Other Current Liabilities

(3)	(2)	-	-	-	-	(5)
-	-	-	-	-	(14,827)	(14,827)
(25)	-	(3)	-	-	-	(28)
67	244	(44)	43	(109)	29	230
(7)	-	2	(2)	-	-	(7)
-	-	-	-	-	1,000	1,000

Total Adjustments

3,489	398	(44)	41	(108)	(13,793)	(10,017)
-------	-----	------	----	-------	----------	----------

Net Cash Provided by (Used for) Operating Activities:

\$ -	\$ 3,190	\$ -	\$ 158	\$ (574)	\$ (13,767)	\$ (10,993)
------	----------	------	--------	----------	-------------	-------------

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CITY OF TOLEDO, OHIO
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2005

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, 2005
(Amounts in Thousands)

	<u>General Agency</u>	<u>Municipal Court</u>	<u>Total</u>
Assets			
Equity in Pooled Cash	\$ 980	\$ ---	\$ 980
Investments at Cost	---	1,344	1,344
Receivables (Net of Allowance for Uncollectible Accounts:			
Accounts	<u>2</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 982</u>	<u>\$ 1,344</u>	<u>\$ 2,326</u>
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 13	\$ ---	\$ 13
Escrow	---	1,344	1,344
Other Current Liabilities	<u>969</u>	<u>---</u>	<u>969</u>
Total Liabilities	<u>\$ 982</u>	<u>\$ 1,344</u>	<u>\$ 2,326</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, 2005
(Amounts in Thousands)
(Continued)

	GENERAL AGENCY FUND			
	<u>Balance</u> <u>Jan. 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Assets				
Equity in Pooled Cash	\$ 849	\$ 719	\$ 588	\$ 980
Accounts Receivable	<u>---</u>	<u>3</u>	<u>1</u>	<u>2</u>
Total Assets	<u>\$ 849</u>	<u>\$ 722</u>	<u>\$ 589</u>	<u>\$ 982</u>
Liabilities				
Accounts Payable	\$ 36	\$ 535	\$ 558	\$ 13
Other Current Liabilities	<u>813</u>	<u>724</u>	<u>568</u>	<u>969</u>
Total Liabilities	<u>\$ 849</u>	<u>\$ 1,259</u>	<u>\$ 1,126</u>	<u>\$ 982</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2005
 (Amounts in Thousands)
 (Continued)

	MUNICIPAL COURT FUND			
	<u>Balance</u> <u>Jan. 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Assets				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ ---
Investments	<u>1,281</u>	<u>63</u>	<u>---</u>	<u>1,344</u>
Total Assets	<u>\$ 1,281</u>	<u>\$ 63</u>	<u>\$ ---</u>	<u>\$ 1,344</u>
Liabilities				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Escrow	1,281	63	---	1,344
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 1,281</u>	<u>\$ 63</u>	<u>\$ ---</u>	<u>\$ 1,344</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2005
(Amounts in Thousands)
(Continued)

	TOTAL - ALL AGENCY FUNDS			
	<u>Balance</u> <u>Jan. 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Assets				
Equity in Pooled Cash	\$ 849	\$ 719	\$ 588	\$ 980
Accounts Receivable	---	3	1	2
Investments	<u>1,281</u>	<u>63</u>	<u>---</u>	<u>1,344</u>
Total Assets	<u>\$ 2,130</u>	<u>\$ 785</u>	<u>\$ 589</u>	<u>\$ 2,326</u>
Liabilities				
Accounts Payable	\$ 36	\$ 535	\$ 558	\$ 13
Escrow	1,281	63	---	1,344
Other Current Liabilities	<u>813</u>	<u>724</u>	<u>568</u>	<u>969</u>
Total Liabilities	<u>\$ 2,130</u>	<u>\$ 1,322</u>	<u>\$ 1,126</u>	<u>\$ 2,326</u>

**CITY OF TOLEDO, OHIO
CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

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, 2005
(AMOUNTS IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$ 24,781
Buildings and Construction in Progress	61,552
Improvements	58,135
Machinery and Equipment	43,185
Furniture and Fixtures	6,374
Infrastructure	<u>616,042</u>
 Total General Fixed Assets	 \$ 810,069
 Less: Accumulated Depreciation	 <u>(363,840)</u>
 Net General Fixed Assets	 <u>\$ 446,229</u>

INVESTMENT IN GENERAL FIXED ASSETS:

Acquired Before December 31, 1982	\$ 52,619
General Fund	39,172
Special Revenue Funds	12,697
Capital Projects Funds	<u>705,581</u>
 Total Investment in General Fixed Assets	 \$810,069
 Less: Accumulated Depreciation	 <u>(363,840)</u>
 Net Investment in General Fixed Assets	 <u>\$ 446,229</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2005
(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	--	--	3,553
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
Housing Division	--	--	--
Inspection.....	--	--	14
Economic Development.....	--	372	1,082
Demolition	--	--	100
Human Resources	--	--	29
Law	--	--	--
Total General Government	<u>963</u>	<u>10,537</u>	<u>5,509</u>
Public Service:			
Public Service.....	--	--	221
Public Service Administration	--	--	--
Engineering & Construction	--	16	431
Streets, Bridges & Harbor.....	3,218	2,006	422
Waste Disposal	1,919	189	43
Maintenance of Public Buildings ...	181	5,127	23,634
Environmental Services	--	165	6
Total Public Service	<u>5,318</u>	<u>7,503</u>	<u>24,757</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2005 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>TOTAL</u>
\$ 108	\$ 41	\$ 183
44	41	3,638
14	22	36
192	93	285
--	--	1,818
2,086	752	8,924
372	260	686
1,388	46	1,435
2,791	10	2,924
28	32	60
83	24	107
50	33	85
193	41	234
1,158	216	5,115
--	2	2
118	58	190
133	26	1,613
55	--	155
989	102	1,120
<u>66</u>	<u>88</u>	<u>154</u>
<u>9,868</u>	<u>1,887</u>	<u>28,764</u>
637	41	899
9	3	12
225	263	935
1,029	115	6,790
6,552	35	8,738
2,280	285	31,507
<u>352</u>	<u>52</u>	<u>575</u>
<u>11,084</u>	<u>794</u>	<u>49,456</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2005 (AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	<u>LAND</u>	BUILDINGS AND CONSTRUCTION <u>IN PROGRESS</u>	<u>IMPROVEMENTS</u>
Public Safety:			
Police	\$ 209	\$ 6,395	\$ 2,209
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>7,955</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	58,135
Less: Accumulated Depreciation ..	<u>--</u>	<u>(47,442)</u>	<u>(27,263)</u>
Net General Fixed Assets	<u>\$24,781</u>	<u>\$ 14,110</u>	<u>\$30,872</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
DECEMBER 31, 2005 (AMOUNTS IN THOUSANDS)
(CONTINUED)

<u>MACHINERY AND EQUIPMENT</u>	<u>FURNITURE AND FIXTURES</u>	<u>INFRASTRUCTURE</u>	<u>TOTAL</u>
\$ 7,166	\$ 960	\$ ---	\$ 16,939
5,804	322	---	15,856
<u>4,007</u>	<u>382</u>	---	<u>7,772</u>
<u>16,977</u>	<u>1,664</u>	---	<u>40,567</u>
43	124	---	223
1,079	50	---	24,397
<u>2,308</u>	<u>36</u>	---	<u>5,902</u>
<u>3,430</u>	<u>210</u>	---	<u>30,522</u>
1,826	1,819	---	44,718
43,185	6,374	616,042	810,069
<u>(22,105)</u>	<u>(5,338)</u>	<u>(261,692)</u>	<u>(363,840)</u>
<u>\$ 21,080</u>	<u>\$ 1,036</u>	<u>\$354,350</u>	<u>\$ 446,229</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 200
(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.....	1,846	1,790	--	3,636
Auditor	36	--	--	36
Planning Commission	274	10	--	284
Health	1,818	--	--	1,818
Municipal Court Judges.....	8,874	50	--	8,924
Clerk of Municipal Courts.....	685	2	--	687
Information & Communications....	1,435	412	--	1,847
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	1	--	5,115
Housing Division.....	1	2	--	3
Inspection	188	3	--	191
Economic Development.....	1,614	--	--	1,614
Demolition.....	136	19	--	155
Human Resources	1,120	--	--	1,120
Law	154	--	--	154
Total General Government	<u>26,474</u>	<u>2,289</u>	<u>--</u>	<u>28,763</u>
Public Service:				
Public Service.....	862	--	--	862
Public Service Administration	12	37	--	49
Engineering & Construction	905	30	--	935
Streets, Bridges & Harbor.....	6,766	22	--	6,788
Waste Disposal	8,737	--	--	8,737
Maintenance of Public Buildings ...	30,497	1,012	--	31,509
Environmental Services	562	15	--	577
Total Public Service	<u>48,341</u>	<u>1,116</u>	<u>--</u>	<u>49,457</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
Public Safety				
Police	\$ 16,313	\$ 625	\$ --	\$ 16,938
Fire	15,750	107	--	15,857
Traffic Engineering	<u>7,772</u>	<u>--</u>	<u>--</u>	<u>7,772</u>
Total Public Safety	<u>39,835</u>	<u>732</u>	<u>--</u>	<u>40,567</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	189,890	4,137	--	194,027
Infrastructure	552,286	63,756	--	616,042
Total General Fixed Assets	742,176	67,893	--	810,069
Less Accumulated Depreciation .	<u>(330,662)</u>	<u>(33,178)</u>	<u>--</u>	<u>(363,840)</u>
Net General Fixed Assets	<u>\$ 411,514</u>	<u>\$ 34,715</u>	<u>\$ --</u>	<u>\$ 446,229</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		COMMUNITY ENVIRONMENT	HEALTH
		PUBLIC UTILITIES	PUBLIC SAFETY		
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
2005	16,909	34,274	150,183	13,431	16,599

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		LICENSES AND PERMITS	GRANTS AND SUBSIDIES
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
2005	160,683	37,915		3,071	39,888

Source: City of Toledo
Finance Department

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

PARKS RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
\$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
3,736	64,085	25,867	325,084

SHARED REVENUES	CHARGES FOR SERVICES	INVESTMENT EARNINGS	FINES AND FORFEITURES	ALL OTHER REVENUE	TOTAL
\$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
30,420	14,004	4,153	6,080	2,884	299,098

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
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
2005	16,954	16,702	98.5%	99

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
1996	138,487	2 ¼ %
1997	142,701	2 ¼ %
1998	144,505	2 ¼ %
1999	150,170	2 ¼ %
2000	153,830	2 ¼ %
2001	150,911	2 ¼ %
2002	153,965	2 ¼ %
2003	155,112	2 ¼ %
2004	155,243	2 ¼ %
2005	160,683	2 ¼ %

Source: City of Toledo
Income Tax Department

AMOUNT OF TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	AMOUNT OF OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
\$11,920	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%	1,423	8.3%
16,802	99.2%	1,223	7.2%

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
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
2006	3,772,059	10,777,311	155,248	620,992

- (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			
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
2005	3.80	.30	.30		4.40	2.50

Source: Lucas County Auditor

PERSONAL PROPERTY

TOTAL

ASSESSED VALUE (2)	ESTIMATED		ESTIMATED		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ACTUAL VALUE	ASSESSED VALUE	ACTUAL VALUE	ASSESSED VALUE	
\$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%
442,309	1,769,236	4,369,616	13,167,539		34.0%

PORT AUTHORITY	LUCAS COUNTY	TOLEDO CITY SCHOOL DISTRICT	METRO PARK DISTRICT	TOTAL
.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
.40	14.75	63.05	1.70	86.80

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
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
2005	21,220	18,863	88.9%	1,986

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⁾
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
2005	313,619	4,369,616	128,474	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
\$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
20,852	98.3%	6,139

NET GENERAL BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$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
128,436	2.9%	409.53

TABLE 8 (a)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5½% LIMIT)
AT DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value		<u>\$4,369,616</u>
Unvoted Debt Limit – 5½%		
Of Assessed Valuation		\$ 240,329
Total Unvoted Debt Outstanding		
At 12/31/03	\$474,611	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds	\$ 324	
Special Assessment Services		
Notes	36,500	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans	247,896	
Capital Projects & Other Loans	1,500	
Pension Bonds	10,450	
Other Bonds & Notes	<u>49,467</u>	
Total	<u>346,137</u>	
Net Subject to 5½% Limit		<u>128,474⁽¹⁾</u>
Total Legal Unvoted Debt Margin		<u>\$ 111,855</u>
⁽¹⁾ General Obligation Bonds –		
City of Toledo	\$ 89,488	
Enterprise	<u>22,611</u>	
	112,099	
General Obligation Notes-City of Toledo	<u>16,375</u>	
Total Bonds and Notes	<u>\$128,474</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, 2005
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value		<u>\$4,369,616</u>
Voted & Unvoted Debt Limit – 10½%		
Of Assessed Valuation		\$ 458,810
Total Unvoted Debt Outstanding		
At 12/31/03.....	\$474,611	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds	\$ 324	
Special Assessment Services		
Notes	36,500	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans.....	247,896	
Capital Projects & Other Loans	1,500	
Pension Bonds	10,450	
Other Bonds & Notes.....	<u>49,467</u>	
Total.....	<u>346,137</u>	
Net Subject to 10½% Limit		<u>128,474</u>
Total Legal Voted and Unvoted		
Debt Margin		<u>\$ 330,336</u>

Source: City of Toledo Finance Department

TABLE 9
CITY OF TOLEDO, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AT DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

POLITICAL SUBDIVISION	AMOUNT OF DEBT	PERCENT APPLICABLE TO CITY	CITY'S SHARE
Direct Debt:			
City of Toledo	\$128,474	100.0%	\$128,474
Subdivision Overlapping Debt:			
Lucas County	29,326	50.7%	14,868
Toledo City School District	154,648	98.9%	152,947
Sylvania City School District	2,517	8.3%	209
Ottawa Hills Local School District...	49	1.1%	1
Springfield Local School District.....	1,682	9.9%	167
Sylvania Area Joint Recreation Dist .	342	8.3%	28
Washington Local School District....	<u>647</u>	95.1%	<u>615</u>
Total Subdivision Overlapping Debt	<u>\$189,211</u>		<u>\$ 168,835</u>
Total Direct and Overlapping Debt.....	<u>\$317,685</u>		<u>\$297,309</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
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%
2005	10,751	3,885	14,636	325,084	4.5%

⁽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
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
2005	39,875	27,524	12,351

(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
\$ 5,176	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
12,351	5,565	3,174	8,739	1.41

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
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
2005	47,366	27,338	20,028

(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
\$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
20,028	7,540	4,589	12,129	1.65

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2005
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	<u>10,983</u>	<u>3.7%</u>	<u>18,785</u>	<u>5.9%</u>
Total	<u>299,233</u>	<u>100.0%</u>	<u>318,990</u>	<u>100.0%</u>
Median Age	34.6		35.9	

**DISTRIBUTION OF HOUSEHOLD
INCOME - TOLEDO MSA**

INCOME	HOUSEHOLDS	
	NUMBER	PERCENTAGE
Less than \$5,000 - \$9,999	7,820	5.0%
\$10,000 - \$14,999	7,229	4.6%
\$15,000 - \$24,999	16,394	10.5%
\$25,000 - \$34,999	17,700	11.3%
\$35,000 - \$49,999	26,410	16.9%
\$50,000 - \$74,999	37,136	23.8%
\$75,000 - \$99,999	22,022	14.1%
\$100,000 - \$149,999	15,370	9.9%
\$150,000 - \$199,999	3,283	2.1%
\$200,000 or more	<u>2,764</u>	<u>1.8%</u>
	<u>156,128</u>	<u>100.0%</u>

Source: U.S. Bureau of the Census - 2000

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2005
(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

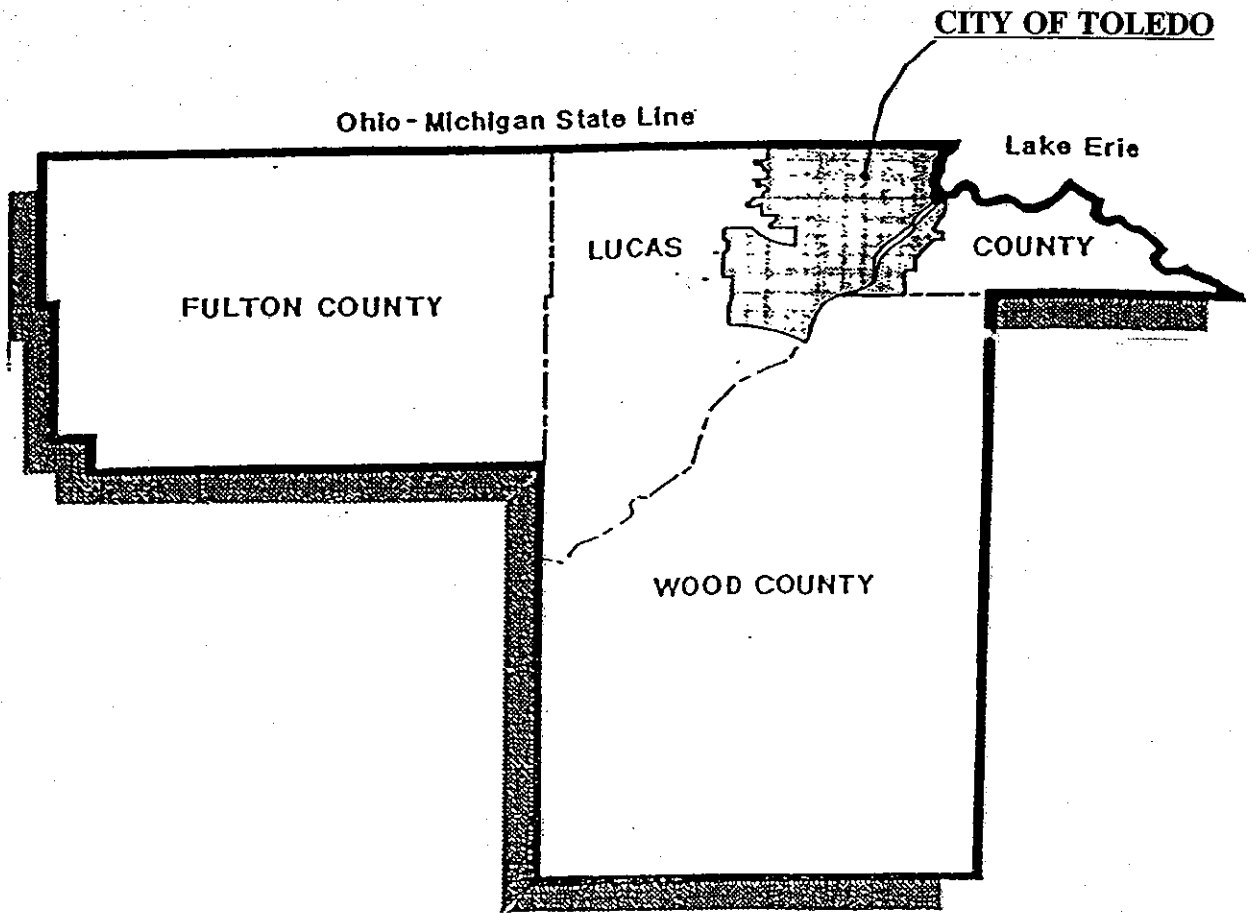
Percentage of employment	82.8%
Non-Manufacturing employment	271,800

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 Department of Jobs and Family Services (2001)

**CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2005
(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⁾
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
2005	4,369,616	295,067	5,885,000

Source: (1) Lucas County Auditor

(2) City of Toledo Inspection Division

(3) Amounts represent Lucas County bank deposits, per F.D.I.C. Data Book

TABLE 14(a)
CITY OF TOLEDO, OHIO
TEN LARGEST PROPERTY TAXPAYERS
DECEMBER 31, 2005

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	\$64,470	1.5%
Ameritech	Utility	37,654	.9%
Owens-Illinois Company	Glass Manufacturer	19,250	0.4%
Columbia Gas of Ohio, Inc.	Utility	18,378	0.4%
Westfield Shopping Town Mall	Retail Mall Owner-Lessor	17,563	0.4%
A.E.R.C. Corp	Real Estate Holdings	14,458	0.3%
St. Vincent Medical Center	Healthcare	10,420	0.2%
General Motors Corporation, Powertrain Division	Automotive Manufacturer	8,535	0.2%
DaimlerChrysler AG, Toledo Machining	Automotive Manufacturer	7,427	0.2%
Dana Corporation	Automotive Manufacturer	<u>7,101</u>	<u>0.2%</u>
		<u>\$205,256</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	46,637	1.1%
Jeep Corp., a subsidiary of DaimlerChrysler AG	Automotive Manufacturer	29,793	.7%
General Mills, Inc.	Food Purchaser	18,527	.4%
Block Communications	Newspaper Publisher	13,293	.3%
Heartland Repack Services	Pharmaceutical Supply Service	7,757	.2%
Perstorp Polyols, Inc.	Chemical Manufacturing Stabilizer and Torsion Bar	6,486	.1%
New Mather Metals	Manufacturer	5,954	.1%
Libbey, Inc.	Glass Manufacturer	5,599	.1%
Textileleather	Fabric Processing	4,997	.1%
Sterling Pipe and Tube, Inc.	Steel Tube Manufacturer	<u>3,561</u>	<u>.1%</u>
		<u>\$ 142,604</u>	<u>3.2%</u>

Source: Lucas County Auditor

TABLE 14(b)
CITY OF TOLEDO, OHIO
TEN LARGEST MUNICIPAL INCOME TAXPAYERS
DECEMBER 31, 2005
(AMOUNTS IN THOUSANDS)

Listed below are the ten largest municipal income taxpayers for corporate income and employee payroll and the amount of tax paid.

Jeep Corporation, a subsidiary of DaimlerChrysler AG
 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
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
2005	41,777

Source: City of Toledo
 Income Tax Division

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2005

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	6
Daily Scheduled Flights	20
2005 Passenger Traffic	232,871
2005 Air Cargo (lbs)	776,925,175

RAIL

Number of Railroad Systems	4
Miles of Track	1,200

LAND

Number of Trucking Firms	42
Interstate Bus Lines	12
TARTA - 2004 Passengers	4,727,186

WATER

Port Vessel Traffic	661
Cargo Tonnage	10,727,255

EDUCATION

University of Toledo Students	19,200
Community College Students	21,000
Medical College of Ohio at Toledo Students	1,100
Toledo City School District:	
Number of Schools	56
Number of Students	29,850

ENERGY

Electric Customers-Toledo Edison Company	303,000
Gas Customers-Columbia Gas of Ohio, Inc.	177,329

MEDICAL

Number of Hospitals	4
Number of Beds	1,839

TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2005
(CONTINUED)

COMMERCIAL ACTIVITY

Amount of Retail Sales	\$9,534,209
Number of Building Permits.....	6,314
Value of Permits	295,067

POLICE DIVISION

Number of Stations.....	3
Number of Substations.....	3
Number of Employees with Arrest Power	673
Number of Neighborhood Offices	7

FIRE DIVISION

Number of Stations.....	17
Number of Firefighters	498

WATER SYSTEM

Average Daily Consumption (Million Gallons Daily).....	86.9
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	1,150
Metered Services	131,279

SEWER SYSTEM

Average Daily Demand (Million Gallons Daily).....	90.7
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	12
Acreage.....	9,000
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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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 22, 2006**