



**Auditor of State
Betty Montgomery**

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

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**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number	Receipts
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
<u>Nutrition Cluster:</u>			
Food Donation		10.550	
School Breakfast Program	05PU-2005	10.553	\$ 1,366,322
National School Lunch Program	LLP4-2005	10.555	4,660,590
Child and Adult Care Food Program	CCMO-2005	10.558	24,236
<i>Total Nutrition Cluster</i>			<u>6,051,148</u>
<i>Total U.S. Department of Agriculture</i>			<u>6,051,148</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
Public Safety Partnership and Community Policing Grants		16.710	496,750
<i>Passed Through Ohio Criminal Justice Coordinating Council:</i>			
Byrne Formula Grant Program		16.579	65,422
<i>Total U.S. Department of Justice</i>			<u>562,172</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Lucas County Department of Jobs and Family Services:</i>			
WIA Youth Activities		17.259	14,142
<i>Total U.S. Department of Labor</i>			<u>14,142</u>
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Federal Pell Grant Program		84.063	601,667
<i>Total Federal Pell Grant Program</i>			<u>601,667</u>
Safe and Drug - Free Schools and Communities National Programs	T4S1-2004-P	84.184C 84.184	31,848 <u>100,000</u> 131,848
<i>Total Safe and Drug - Free Schools and Communities National Programs</i>			
Twenty-First Century Community Learning Centers		84.287	
21st Century TLC			200,000
21st Century Old West End			40,000
21st Century Spring	T1S1-2004		
21st Century Spring	T1S1-2005		124,192
21st Century Newbury	T1S1-2005		105,176
<i>Total Twenty-First Century Community Learning Centers</i>			<u>469,368</u>
Impact Aid Facilities Maintenance		84.040	<u>34,506</u>
Fund for the Improvement of Education		84.215	
SLC Start, Rogers, Bowsher			64,000
Smaller Learning Community			150,000
Early Success Child/Family			25,000
Oh Part in Char Ed			
Tehppp/Toledo Ed. & House			
<i>Total Fund for the Improvement of Education</i>			<u>239,000</u>
<i>Total U.S. Department of Education - Direct Programs</i>			<u>1,476,389</u>

Non-cash Receipts	Disbursements	Non-cash Disbursements
\$ 324,840	\$ 1,366,322	\$ 351,284
	4,660,590	
	24,236	
<u>324,840</u>	<u>6,051,148</u>	<u>351,284</u>
324,840	6,051,148	351,284
	64,966	
	87,166	
	<u>152,132</u>	
	1,264	
	<u>1,264</u>	
	601,667	
	601,667	
	35,982	
	<u>51,286</u>	
	87,268	
	254,346	
	68,941	
	4,426	
	122,394	
	<u>86,643</u>	
	536,750	
	<u>34,506</u>	
	81,310	
	180,800	
	31,505	
	<u>34,219</u>	
	<u>327,834</u>	
	<u>1,588,025</u>	

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number	Receipts
<i>Passed Through Ohio Department of Education:</i>			
<u>Special Education Cluster:</u>			
Special Education Grants to States		84.027	
Child Progress Indicators			
Spec Education IDEA, Part B			
Spec Education IDEA, Part B	6BSF-2004		1,019,716
Spec Education IDEA, Part B	6BSF-2005		7,189,964
<i>Total Special Education Grants to States</i>			<u>8,209,680</u>
Special Education Preschool Grants		84.173	
Preschool Grant FY 04	PGS1-2004		22,070
Preschool Grant FY 05	PGS1-2005		267,419
<i>Total Special Education Preschool Grants</i>			<u>289,489</u>
<i>Total Special Education Cluster</i>			<u>8,499,169</u>
Adult Education State Grant Program		84.002	
A.B.L.E. FY 04	AB-S1-04		
A.B.L.E. FY 05	AB-S1-05		307,333
<i>Total Adult Education State Grant Program</i>			<u>307,333</u>
Title I Grants to Local Educational Agencies		84.010	
Targeted Assistance FY 04	C1-S1-2004		79,677
Targeted Assistance FY 05	C1-S1-2005		3,729,711
FY 04	C1-S1-2004		1,890,222
FY 05	C1-S1-2005		10,708,719
Delinquent FY 04	C1-SD-2004		7,975
Delinquent FY 05	C1-SD-2005		104,887
School Improvement FY 04	C1-SK-2004		6,985
School Improvement FY 05	C1-SK-2005		743,265
<i>Total Title I Grants to Local Educational Agencies</i>			<u>17,271,441</u>
Migrant Education State Grant Program		84.011	
Migrant FY 04	MG-S1-2004		
Migrant FY 05	MG-S1-2005		20,228
<i>Total Migrant Education State Grant Program</i>			<u>20,228</u>
Vocational Education Basic Grants to States		84.048	
Secondary FY 04	20C1-2004		500,444
Secondary FY 05	20C1-2005		897,541
Adult FY 04	20C2-2004		
Adult FY 05	20C2-2005		135,994
Project - Lead the Way	20A0-2004		14,000
<i>Total Vocational Education Basic Grants to States</i>			<u>1,547,979</u>
Safe and Drug - Free Schools and Communities State Grants		84.186	
FY 04	DRS1-2004		3,069
FY 05	DRS1-2005		400,536
<i>Total Safe and Drug Free Schools and Communities State Grants</i>			<u>403,605</u>
Education for Homeless Children and Youth		84.196	
FY 04	HCS1-2004		
FY 05			
FY 05	HCS1-2005		94,661
<i>Total Education for Homeless Children and Youth</i>			<u>94,661</u>
State Grants for Innovative Programs		84.298	
FY 04	C2S1-2004		14,409
FY 05	C2S1-2005		321,156
<i>Total State Grants for Innovative Programs</i>			<u>335,565</u>

<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-cash Disbursements</u>
	1,142,060	
	5,954,037	
	<u>7,096,097</u>	
	20,604	
	247,545	
	268,149	
	<u>7,364,246</u>	
	454,693	
	<u>454,693</u>	
	844,607	
	2,910,250	
	1,855,404	
	9,870,207	
	38,486	
	84,035	
	253,751	
	522,182	
	<u>16,378,922</u>	
	12,953	
	18,855	
	<u>31,808</u>	
	490,606	
	722,736	
	127,769	
	20,000	
	<u>1,361,111</u>	
	22,238	
	385,891	
	<u>408,129</u>	
	12,876	
	81,134	
	<u>94,010</u>	
	105,851	
	448,222	
	<u>554,073</u>	

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number	Receipts
Passed Through Ohio Department of Education (Continued):			
Comprehensive School Reform Demonstration		84.332	
Smaller Learn Community	RFK2-2003		27,000
FY 04	RFS2-2004		19,800
FY 05	RFS2-2005		46,619
Knowledgeworks	RFK1-2003		19,870
Glendale & Deveaux	RFCC-2005		<u>100,000</u>
<i>Total Comprehensive School Reform Demonstration</i>			213,289
Improving Teacher Quality State Grants		84.367	
Reducing Class Size, Title II	TRS1-2004		108,463
Reducing Class Size, Title II	TRS1-2005		<u>2,785,991</u>
<i>Total Improving Teacher Quality State Grants</i>			2,894,454
English Language Acquisition Grants		84.365	
Limited English Grant FY 04	T3S1-2004		40,846
Limited English Grant FY 05	T3S1-2005		3,588
Immigrant FY 05	T3S1-2005		<u>1,564</u>
<i>Total English Language Acquisition Grants</i>			45,998
Reading First State Grants			
Reading First -Ohio	RSS1-2005	84.357	<u>2,112,060</u>
Early Childhood Educator Professional Development (Get It Got It Go) Autism Team Training FY 05		84.349	7,700 <u>2,000</u> 9,700
Fund for the Improvement of Education Physical Education Program		84.215F	<u>270,000</u>
Education Technology State Grants		84.318	
Technology, Title II-D	TJS1-2004		11,575
Technology, Title II-D	TJS1-2005		635,993
Technology, Title II-D McKinley	TJSL-2005		<u>163,800</u>
<i>Total Education Technology State Grants</i>			811,368
Vocational Education Occupational and Employment Information State Grants		84.346	7,000 <u>34,843,850</u>
<i>Total U.S. Department of Education - Pass Thru Programs</i>			<u>36,320,239</u>
Total U.S. Department of Education			<u>36,320,239</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through the Ohio Department of Education and Through the Lucas County Department of Mental Retardation and Developmental Disabilities:			
State Children's Health Insurance Program		93.767	233,695
Medical Assistance Program		93.778	<u>3,315,835</u> 3,549,530
Passed through Lucas County Job and Family Services			
Temporary Assistance for Needy Families		93.558	<u>446,778</u>
Total U.S. Department of Health and Human Services			<u>3,996,308</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 46,944,009</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

Non-cash Receipts	Disbursements	Non-cash Disbursements
	55,204	
	27,976	
	48,113	
	17,091	
	<u>80,000</u>	
	228,384	
	487,221	
	<u>2,696,976</u>	
	3,184,197	
	44,344	
	6,559	
	<u>50,903</u>	
	<u>1,758,182</u>	
	1,849	
	<u>1,849</u>	
	<u>248,152</u>	
	54,477	
	419,329	
	<u>141,249</u>	
	615,055	
	5,503	
	<u>32,739,217</u>	
	<u>34,327,242</u>	
	233,695	
	<u>3,315,835</u>	
	3,549,530	
	<u>448,244</u>	
	3,997,774	
\$	<u>324,840</u>	\$
	<u>44,529,560</u>	\$
		<u>351,284</u>

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Toledo City School District
Lucas County
420 East Manhattan Boulevard
Toledo, Ohio 43608-1267

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated March 9, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001.

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Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 29, 2005



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Toledo City School District
Lucas County
420 East Manhattan Boulevard
Toledo, Ohio 43608-1267

To the Board of Education:

Compliance

We have audited the compliance of Toledo City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District'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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management 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 District's internal control over compliance with requirements that could directly and materially affect a major federal program 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 timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 29, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

March 9, 2006

TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	<u>Nutrition Cluster:</u> Food Donation - CFDA # 10.550 School Breakfast Program - CFDA # 10.553 National School Lunch Program - CFDA # 10.555 Child and Adult Care Food Program - CFDA # 10.558 Vocational Edn. Basic Grants to States - CFDA # 84.048 Reading First State Grants - CFDA # 84.357 Medical Assistance Program - CFDA # 93.778
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 1,346,425 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2005-001

Finding for Recovery – Repaid during Audit

Pearlene Bowman, an hourly teacher with the Toledo City School District, was paid \$23.13/hour for the 2004/05 school year. However, the Toledo Federation of Teachers Union Agreement lists the wage rate for an hourly employee, at step 10, as \$22.17 per hour. Pearlene Bowman was overpaid \$.96/hour for 1,593 hours of work during the 2004/05 school year for an overpayment of \$1,529.28.

In accordance with the foregoing facts, and pursuant to O.R.C. §117.28, a finding for recovery for public money illegally expended is hereby issued against Pearlene Bowman, the employee, James Fortlage, Treasurer, and Cincinnati Insurance Company, the Treasurer's bonding company, jointly and severally, in the amount of \$1,529.28, in favor of the Toledo City School District's Adult Education and Vocational Education Funds.

A payment plan has been established between Toledo City School District and Pearlene Bowman. As of March 9, 2006, \$1,021.05 of the overpayment was recovered, and \$508.23 is still owed to the District.

3. FINDINGS FOR FEDERAL AWARDS

None.

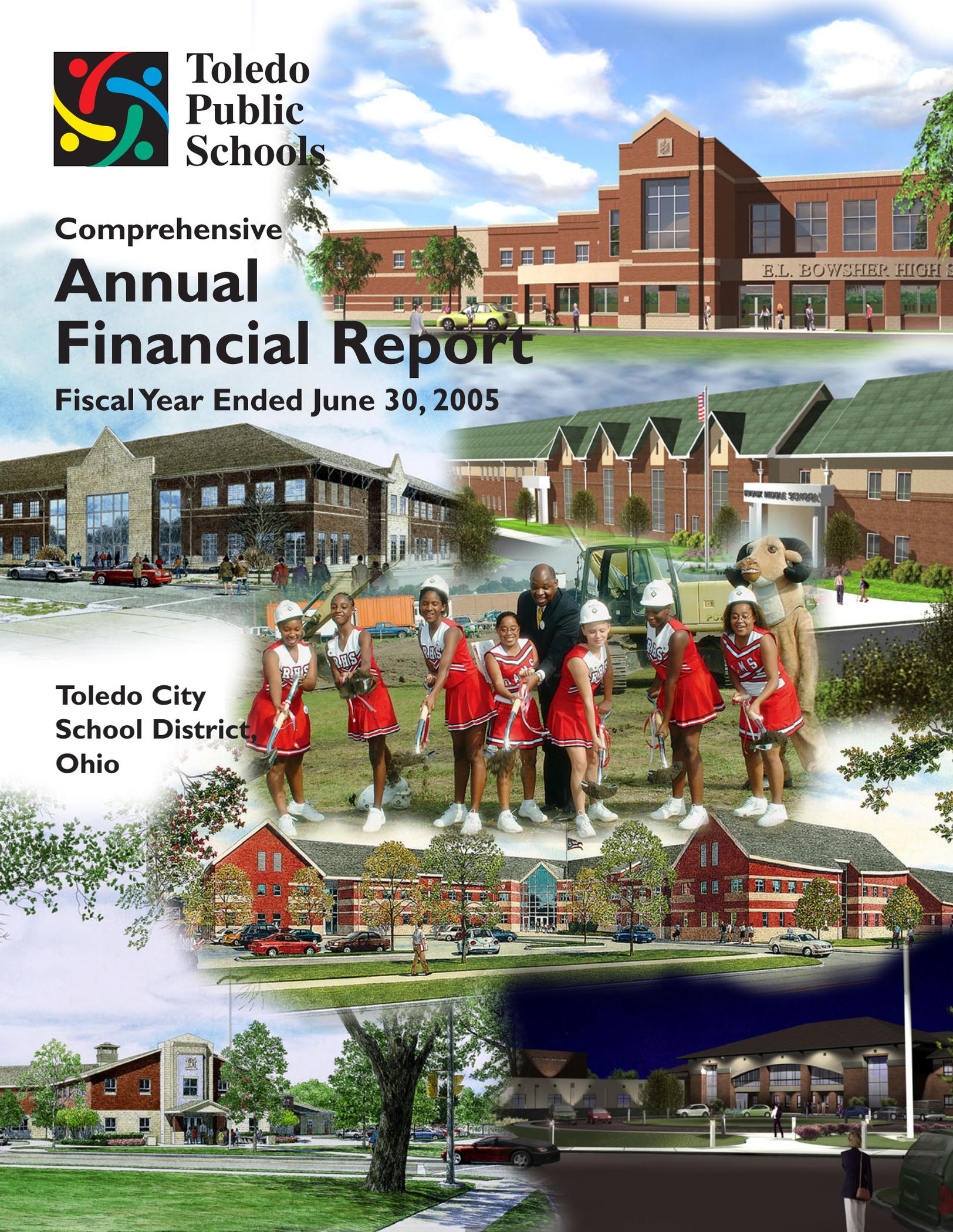


**Toledo
Public
Schools**

Comprehensive
**Annual
Financial Report**

Fiscal Year Ended June 30, 2005

**Toledo City
School District,
Ohio**





Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2005 • Toledo City School District, Ohio

Prepared by:

Treasurer's Division
James P. Fortlage
Treasurer

420 East Manhattan Boulevard
Toledo, Ohio 43608-1267
419.729.8367

About the Cover:

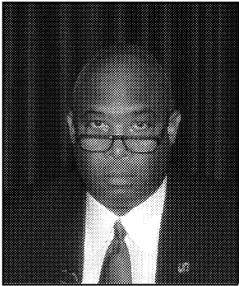
Toledo voters approved the bond issue for the Building For Success program in November 2002, unleashing the single largest building project in the history of the city of Toledo. This \$800 million program to renovate or rebuild schools throughout the district is in full swing with over 25 schools in some phase from design through construction to completion. The cover features (clockwise from top right) Bowsher High School, DeVeaux Middle School, Libbey Area Middle School, night view of Start High School, Oakdale Elementary School, Robinson Middle School, and in the center, Superintendent and CEO Eugene T. W. Sanders, Ph. D., with the Rogers High School cheerleaders and mascot at the Rogers groundbreaking.



Toledo Public Schools
The Power Of Learning



Toledo Board of Education



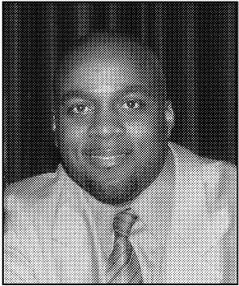
Larry Sykes
President



Deborah Barnett
Vice-President



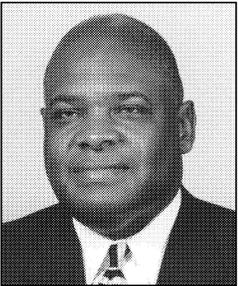
Peter Silverman



Steven Thomas



David E. Welch



Eugene T. W. Sanders, Ph. D.
Superintendent and CEO



James P. Fortlage
Treasurer



Toledo Public Schools
The Power Of Learning



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LUCAS COUNTY, OHIO**

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INTRODUCTORY SECTION





TOLEDO CITY SCHOOL DISTRICT

Thurgood Marshall Building • 420 East Manhattan Blvd.
Toledo, Ohio 43608

Treasurer's Office: phone (419) 729-8370

fax (419)-729-8474

December 29, 2005

Board of Education Members and Citizens of the Toledo City School District:

As the Superintendent and Treasurer of the Toledo City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) of the District. This CAFR, for the year ended June 30, 2005, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report will provide the taxpayers of the Toledo City School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs. Copies will be made available to National Municipal Information Repository (NMSIR), State Information Depository (SID), other financial rating services and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Toledo City School District's MD&A can be found immediately following the report of the independent accountants.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, Members of the Board of Education and Management Team, an organization chart of the District, an organizational chart of the Treasurer's Division, GFOA Certificate of Achievement, and the Association of School Business Officials International Certificate of Excellence.
2. The Financial Section, which includes the auditor's report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the District's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a Special Revenue Fund. The Non-Public School Operations and Lucas County Education Service Center have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

The District serves an area approximately 72 square miles. It is located in Lucas County, Ohio and encompasses most of the City of Toledo. The District's facilities include forty-four elementary schools, seven junior high schools, seven senior high schools, eleven special schools, a food service center, an administration building, a transportation center, a purchasing and warehouse facility and a maintenance facility. At June 30, 2005 there were 32,998 students in the District.

The Board of Education of the Toledo City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars and approves the annual appropriation resolution.

ECONOMIC CONDITIONS AND OUTLOOK

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 percent (36%) of U.S. and nineteen percent (19%) 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. The Toledo Metropolitan Area offers 25 industrial parks, seven of which are located within the Toledo City School District. Statistics indicate that employment in the Toledo area-manufacturing industries represent only about one-fourth of the available jobs in the area. The majority of work is found in non-manufacturing areas such as service industries, retail trade, and government jobs.

Transportation plays an important role in the Toledo area economy. The Port of Toledo is Ohio's largest and most diversified port and one of the nation's largest shippers of coal and grain. The Port offers a foreign trade zone encompassing 300,000 square feet of covered storage area serviced by ship, rail, and truck. Toledo is one of the nation's largest rail hubs with four major lines serving the area. Intrastate and interstate truck services are provided by more than 100 common carriers, including almost all major truck lines, as well as approximately 30 local cartage companies. Toledo Express Airport offers both general and commercial aviation services

Lucas County is the home of the Toledo Mud Hens and operates a 10,000 seat Toledo Mud Hens Stadium, in the Warehouse District. The Mud Hens, a Triple A baseball team, is in the Detroit Tigers farm system.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

Like many areas of the Country, the local economy has slowed; however, the future economic outlook for the area remains positive. City of Toledo officials have been and are continuing to monitor spending and have taken steps to control the size and structure of the City's workforce, trim support costs and eliminate expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with projected revenues. While the economy is still sluggish there were economic gains in 2004/05. The owners of Westfield Shoppingtown Franklin Park Mall completed, in March 2005, a major \$113 million capital improvement and expansion project for the Mall. Dana Corporation recently completed construction of a division office and research and development center for its Automotive Systems Group. Daimler/Chrysler announced plans, in cooperation with Hyundai Mobis MPDT, LLC, KUKA Flexible Production System, and Haden Environmental Corp. for the construction of a \$900 million, three million square foot manufacturing complex adjacent to the Stickney Avenue (Toledo North). Mercy Health Partners announced its plans for a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The ProMedica Health System has announced a comprehensive plan to replace, renovate and expand facilities on its Toledo Hospital medical center campus in two phases over a five-to-ten year period beginning in July 2005. In March of 2005, the City of Toledo and the City of Oregon agreed to cooperate in facilitating the development of a \$350 million coke plant. The City continues to seek a developer for the Marina District, \$190 million retail, commercial and residential development along the Maumee River. The State of Ohio has proposed providing \$4 million toward the project.

The area has diverse recreational, cultural, and educational resources. The City of Toledo has over 100 parks ranging from small neighborhood playgrounds to large centralized parks with full recreational facilities including picnic areas, ball diamonds, tennis courts, and swimming pools. The Maumee River and Lake Erie offer many water sport activities such as boating, sailing, water skiing, and fishing. The Area Metropark System has over 6,000 acres in nine locations. Local professional sports include the Toledo Mudhens Baseball Team, the Toledo Storm Hockey Team, and the Annual LPGA Golf Tournament. There are over 20 public and private golf courses in the area. The Toledo Zoo ranks among the best in the country. Toledo also boasts the world-renowned Toledo Museum of Art, which houses over 700 paintings, 5,000 pieces of glass, and a nationally respected symphony. The Museum has broken ground and is constructing a new glass exhibit, storage, and research center. Continuing and Advanced Education is available at the University of Toledo, University of Toledo Community and Technical College, Medical College of Ohio, Bowling Green State University, Owens Community College, and Lourdes College.

SIGNIFICANT ACCOMPLISHMENTS FOR THE YEAR

The District is both proud of its success in its core mission of educating students to prepare them to reach their full potential as individuals and as productive members of society. As evidenced by the core mission the Toledo Public Schools received the ranking of a "Continuous Improvement District and Adequate Yearly Progress" by the Ohio Department of Education for the second straight year. This ranking vaulted the Toledo Public Schools two levels from Academic Emergency to the Continuous Improvement Status. The Toledo Public Schools was the only urban school district in the State of Ohio to achieve this ranking for two consecutive years. It is the leading urban school district in the State of Ohio in meeting indicators on the State "Local Report Card" and in academic achievement as measured by student performance on the Ohio proficiency tests.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

Toledo Public Schools, in partnership with the University of Toledo and the KnowledgeWorks Foundation announce an extraordinary innovation for the education of selected high school students. Beginning with the freshman class, next school year, eligible students will attend classes in a “high school” located on the University of Toledo’s campus. They also will have the opportunity to earn college credit for certain coursework taken during their four years in this special high school.

At the start of the 2005-06 school year, students in all elementary schools and junior high schools within the District, were required to wear a standardized school uniform. The District’s administration as well as an overwhelming number of elementary school parents made this decision because they believed in developing policies and practices that promote a positive academic, social, and behavioral climate. It was felt that this was another way to improve the District’s overall educational climate. It is anticipated that for the 2006-07 school year, this will be a requirement for all senior high school students.

During the 2004-05 school years the District, once again, offered two single gender academies: the Lincoln Academy for Boys and the Ella P. Stewart Academy for Girls. In addition, the District in an effort to meet the needs of all students residing in the District sponsored three charter schools. The Brigadoon Academy is an innovative intervention and prevention initiative to decrease truancy, and increase the retention, participation and completion of schooling for young people who are at risk of disengaging from education, the Phoenix Academy developed for students who wish to pursue a high school diploma but require a more flexible schedule, and the Polly Fox Academy designed to ensure that pregnant and parenting 7th – 12th grade girls will be able to continue their education.

In addition, to achieving continuous improvement status for the last two years, the District saw its student attendance rate increase to 93.2% and the graduation rate increase to 76.6%, which was one of the highest percentages for large urban districts in the State of Ohio.

Superintendent and CEO Eugene T. W. Sanders, Ph.D. was the recipient of the Martha Holden Jennings Foundation’s “2005 Ohio Superintendent Outstanding Performance Award”. The purpose of the award is “To foster the development of individual capabilities of young people to the maximum possible extent through improving the quality of teaching in secular primary and secondary schools and by furnishing incentives with respect thereto, and by such means as the Trustees from time to time shall determine”.

The Council of Great City Schools conducted a comprehensive review of many facets of the curriculum and instruction practices of the District. The District has grown substantially in the last several years and is poised to make even greater gains in the future. This comprehensive review will become a major tool in helping develop the vision and agenda for the future of the District.

Adult volunteers continue to give their time, talent, and hearts to help students struggling to achieve and to provide enrichment for all students. Volunteers tutored students one-on-one and in groups. Others stepped in to serve as proficiency tutors helping students tackle specific tests. Social service groups, churches, community agencies, and individuals provided many kinds of needed assistance and support to all our schools and thousands of students.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

The District continues to emphasize their six Core Values to guide Toledo Public Schools toward improved teaching and learning. It is believed that, in order to achieve improvements, if every employee fully understands and internalized these values, they will become a reality in all daily activities. The Core Values are Collaboration, Rigorous Academic Curriculum, Excellence in Every Job, Focus on Customer Service, Community Involvement and Parental Support, and Employee Promotion of Student Success.

The School District and the Ohio School Facilities Commission (OSFC) have developed, with significant community input, and agreed on a Master Facilities Plan describing the classroom facilities needs of the entire student population of the District. In January 2003, the District and the OSFC entered into a Project Agreement for the construction and acquisition of the Classroom Facilities Project. The Master Facilities Plan calls for (i) the construction of 39 new elementary schools, 12 new middle schools, five new high schools and one combined elementary/middle/high school and (ii) the renovation of three elementary schools, a combined middle school/high school, two high schools and an aviation education center. The District and the OSFC currently estimate that this Project will cost \$797,817,229 and be constructed in six segments over a period of approximately 10 years. During FY 2004-05 the District has broken ground at four sites. In July 2005, the District opened the Ottawa River Elementary School, the first of the building project and in January 2006, the District will open the Oakdale Elementary School and the East Broadway Middle School.

In conjunction with this building project, two noteworthy components of the District's approach are the Community Inclusion Plan and the Community Oversight Committee. The Community Inclusion Plan, developed through a cooperative effort involving labor union leaders, the construction manager for the Projects, the Urban League, the Minority Contractors Association and representatives with the Ohio School Facilities Commission, the NAACP, The Toledo Area Chamber of Commerce, the NW Ohio Black Chamber of Commerce, and the Association of General Contractors, is viewed as a model in the State. The construction contracting process is being structured to enable smaller businesses to compete equally on various components of the project. The Community Oversight Committee created by the Board of Education will serve on behalf of the citizens of the District to ensure that the projects are conducted in a financially responsible manner, in accordance with the District's Master Facilities Plan, and in the best interests of the community. Four volunteer co-chairs and 15 committee volunteers make up this oversight body that will report to the public a minimum of twice a year on the progress being made on the projects.

MAJOR INITIATIVES FOR THE FUTURE

Although not a new initiative, the District will be fully engaged in major school building and renovation projects. The massive size of the project will be most challenging for all District personnel, specifically the Business Office and the Treasurer's Office.

DEPARTMENT FOCUS

The Treasurer's Division has continued to show leadership and growth by striving for excellence in developing and implementing sound fiscal management, accounting and reporting standards.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

Revenue Sharing Agreements between the City of Toledo, Toledo City School District and Washington Local Schools have been extended. Since the inception of Revenue Sharing Agreements, "Contributions in Lieu of Taxes", totaled over \$9,195,286. Currently there are 52 companies actively participating in the tax abatement program. These Agreements promote the economic welfare of our community by creating new jobs, while retaining and preserving existing jobs and employment opportunities, as facilities are established, expanded, renovated or occupied within designated Enterprise Zones. It is hoped that the success of these Tax Exemption Revenue Sharing Agreements will set the stage for future cooperation between government entities.

The Treasurer's Division has successfully implemented a Direct Deposit Program for the District's employees. As of June 30, 2005, approximately 81% of the all employees were taking advantage of the Direct Deposit option. This program not only provides our employees with better banking services and a broader number of banking options, but it is cost effective to the District and will allow us to operate more efficiently. New labor contracts now make direct deposit mandatory for all new employees.

The Department of General Accounting has increased performance and efficiency by using laser applications for both check writing for all accounts payable invoice payments as well as issuing receipts. To further increase efficiencies, ACH payments are being made to all construction contractors and vendors. In addition, the Department has implemented online monthly reports wherein reports are generated directly from the District's database. As a result, performance and efficiency has been increased and by reducing the need for hard copy printouts there has been a substantial savings on paper costs.

The Department of General Accounting in conjunction with the Department of Management Information Systems has developed and Accounts Payable Workflow Project. This project, which develops workflow processes involving the Accounts Payable Department, will include invoice processing as well as a Web based Purchase Order and Receipt system. The project has been developed to the extent that onsite testing will be performed in January 2006.

Additionally, since the enactment of the Federal governments "Check Clearing for the 21st Century Act" (Check 21) the Department of General Accounting has implemented electronic deposits with local depositories thereby increasing the availability of funds.

The Toledo City School District has debt ratings of Aaa and AAA from Moody's and Fitch rating services, respectively. Financial information was provided to all external-rating agencies resulting in our maintaining the above-mentioned rating. Financial information was also furnished to the Ohio Municipal Advisory Council (OMAC), which has applied for and received the designation of being the State Information Depository (SID) for the State of Ohio. The establishment of SID provides the State with more uniform central distribution of financial information to debt holders and potential bidders of debt for the Toledo City School District. The Toledo City Schools' "Aaa and AAA" ratings continue to be unique to large city school districts in the State of Ohio. It speaks well of our financial stability and fiscal integrity.

The District provides annual Continuing Disclosure filings with the appropriate National Municipal Information Repository (NMSIR) and SID to keep bondholders of the Ohio School Facilities bond issue abreast of the current financial status of the District.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

The Treasurer's Division implemented requirements of the Ohio Legislature as they relate to the mandatory preparation of a Five-Year Revenue and Expenditure Forecast, the multi-year Certification of Estimated Revenues, and the proper identification and appropriation of DPIA Funds. One provision of House Bill 412 requires the Board of Education to submit a Five-Year Financial Forecast to the Ohio Department of Education. The 2006 Five-Year Financial Forecast was presented to the Board of Education for adoption in October of 2005.

An additional provision of the Legislature requires the President of the Board of Education, the Superintendent and the Treasurer to certify that adequate revenue will be available to maintain all personnel, programs, and services essential to the operation of an adequate educational program for the length of each contract up to five years. This certification is attached to all contracts, leases, and other business transactions as required by law. Procedures are in place to ensure compliance.

During the past year, the Treasurer's Division has focused on improving the financial position of the District. The Division has actively studied all possible alternatives to property tax financing, searched for additional revenue sources, and implemented cost saving measures. The Treasurer's Division staff will continue to maintain a high level of service and support, and identify ways to improve communications with their customers. They will continue to improve internal controls, management practices, technology utilization and enhancements, operational efficiencies, and financial processes in order to assure the fiscal integrity of District assets and maintain excellent audit results. They will continue to focus on the Board's primary objective of improving educational opportunities for the children in our community.

Other goals and objectives that were formulated and adopted for the 2004-2005 Fiscal Year included:

- Has continued to work with the Ohio School Facilities Commission and the District's Business Division to ensure that the future major renovation to the District's school buildings will be successfully implemented;
- Continue to work with the Independent Financial Review Committee, a group of local public accounting, school finance, banking, and governmental relations experts, appointed by the Board of Education to provide financial information directly to the citizens of the community;
- Continue to explore alternative computer software and internet technology to enhance operational efficiencies and reduce costs.

FINANCIAL INFORMATION

Internal Controls: The Management of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

Single Audit: As a recipient of Federal and State Financial Assistance, the District also is responsible for requiring that an adequate internal control structure be in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation and audit by management and staff of the District.

As a part of the District's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to Federal Financial Assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District's Single Audit for the Fiscal Year ended June 30, 2005, as of this writing, revealed no instances of material weakness in internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls: The District maintains budgetary controls and ensures compliance with legal provisions through the adoption of the Annual Appropriation Measure approved by the Board of Education. The Annual Appropriation Measure embodies all funds of the District. Funds establish the level of budgetary control, and expenditures cannot legally exceed the appropriated amount. The level of budgetary control established by the Board of Education is at the fund level. The District also maintains an encumbrance system to assist in budgetary control. Unencumbered appropriations lapse at year-end. The District obtained an Official Amended Certificate of Estimated Revenues on June 28, 2005.

As illustrated by the statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound fiscal management.

Debt Administration: At June 30, 2005, the District had outstanding Long-Term Voted and Un-voted Debt issues of \$159,640,506. Moody's and Fitch assigned their municipal bond ratings of Aaa and AAA, respectively, to the Long-Term Bonds with the understanding that the District obtain Municipal Bond Insurance Policy issued by Financial Security Assurance, Inc. The District has obtained the necessary Municipal Bond Insurance Policy. Under current state statutes, the District's General Obligation Bonded Debt Issuances are subject to a legal limitation based on nine percent of the total assessed value of real and personal property. At June 30, 2005, the District's General Obligation debt of \$159,600,000 was below the legal limit.

Investment and Cash Management: On September 23, 1996, the District submitted to the Auditor of the State of Ohio, its Administrative Policy for Investment and Cash Management Activities. The District subsequently updated this policy on August 27, 2003. The policy statements were designed and developed to serve as administrative guidelines for District personnel who are involved in the investment process. All policy statements were developed to comply with Senate Bill 81 and complement existing laws contained in Section 135 of the Ohio Revised Code. Section 135 is designed to be restrictive in nature in order to assure protection of District funds. The District's Administrative Policy for Investment and Cash Management Activities is more restrictive than current laws, as the District seeks optimal protection of capital invested.

Laws, regulations and policy statements cannot substitute for a commitment to sound judgment, knowledge, prudence, experience, and a disciplined approach to investment portfolio management. The District's Administrative Policy is designed to provide guidance and continuity to District staff, instill cash management disciplines, and provide continued protection of District funds.

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

It is the policy of the District to give due regard for safety of principal, liquidity, diversity of portfolio assets, and associated investment risks and that available funds shall be invested in accordance with the laws of the state of Ohio, and the Administrative Policies of the District, at the highest rates obtainable at the time of investment.

Effective cash management and investment portfolio management is recognized as essential to sound fiscal management. An active Cash Management Program and prudent investment practices are pursued by the District to take advantage of investment interest as a viable and material source of revenue for all funds involved. The District's portfolio is always managed in a manner responsive to public trust.

District personnel authorized to conduct investment transactions shall avoid any transaction that might impair public confidence in the District's ability to govern effectively. At no time will the District purchase any of the following investment securities:

- (a) Collateralized Mortgage Obligations (CMO's)
- (b) Ginnie Mae Mortgage Association (GNMA)
- (c) Reverse Repurchase Agreements (a.k.a. Security Lending)
- (d) Security Pools offered by any other body politic other than the State Treasury Asset Reserve (STAR Ohio)
- (e) Any derivative security defined as "an Obligation, security, or contract that derives its value or price from the value or price of another obligation, security, commodity, currency, or instrument, or the performance of a market index."
- (f) Any investment in stripped principal or interest obligations of otherwise eligible obligations (i.e. U.S. Treasury Strips)
- (g) Negotiable, brokered Certificates of Deposit such as "Yankee C.D.'s", "Eurodollar C.D.'s", and "Canadian Time Deposit Receipts (TDR's)". Any other time deposit, which is not specifically collateralized beyond FDIC insurance.
- (h) Small Business Loan Program products (SBA or SBIC)
- (i) Contracting to sell securities that have not yet been acquired by the District for the purpose of bond price speculation (a.k.a. Selling Short)
- (j) Any other investment not specifically allowed by Section 135 of the Ohio Revised Code and these administrative investment policies.

The District adheres to the "Prudent-Man-Rule" of portfolio management, which states that in acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for any fund heretofore or hereafter created, the Toledo City School District will exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in regard to the permanent disposition of funds, considering the probable outcome, as well as the probable safety of capital.

To further safeguard District assets collateralized by pooled securities at our local financial institutions, each of the District's depositories are monitored on a monthly basis utilizing Bauer Financial, Inc. financial ratings. Bauer Financial specializes in financial analysis and reports on the financial condition of the nation's banks, thrifts and credit unions. A "Five Star" rating system is used to rank each financial institution, with Five Stars being the best rating and a One Star rating representing a troubled institution. All of the District's banking institutions are presently rated "Four Stars", with the exception of one banking institution rated "Three Stars".

TOLEDO CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2005

The District recently reviewed and amended its investment policy to incorporate the dynamics in the industry since the policies first inception in September 1996. The District applied for and received national recognition from the Association of Public Treasurers of the United States and Canada for the amended Investment Policies.

RISK MANAGEMENT

The Labor-Management Insurance Committee comprised of the Chief Business Manager, Executive Assistant to the Superintendent for Human Resources, the Treasurer, and representatives of the 3 major employee groups monitors health benefit insurances.

The District is exposed to financial loss resulting from District-caused damage to property or bodily injuries or illness of employees, unemployment compensation benefits to previous employees, and employee health care, prescription drug, dental and life insurance benefits. The Administrative Services - Employee Benefit Self-Insurance Fund, an Internal Service Fund, is used to account for, and finance self-insurance activities. This fund includes prescription drug, health, and dental insurance benefits. Approximately 83% of the District's employees are eligible for health care benefits. The District records the remaining liability for incurred but unreported claims at year-end based upon an Actuarial Opinion provided by Timothy P. Berghoff, FSA, MAAA.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. The Ohio State Auditor's Office conducted the audit for the Fiscal Year ended June 30, 2005. The Auditor's Audit Opinion is on the Basic Financial Statements. The introductory section, combining and individual non-major fund statements and statistical tables are not a required part of the opinion and no opinion is rendered on those sections.

Awards: The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Toledo City School District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2004. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that conforms to program standards. A CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement award is valid for a period of one year. The Toledo City School District has received a Certificate of Achievement for the past sixteen years (1989-2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA for consideration.

TOLEDO CITY SCHOOL DISTRICT

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2005***

The Toledo City School District also received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2004. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of Certified Public Accountants and practicing school business officials, grants the award, only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. This is the ninth year the District has received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

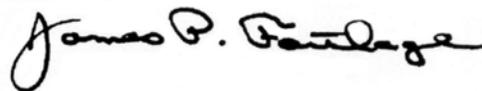
Acknowledgment: Preparation of this report would not have been possible without the joint cooperation of all Divisions in the District. We would like to specifically acknowledge the following individuals within the Treasurer's Division and the Business Division: James Larson-Shidler, C.P.A., Assistant to the Treasurer, Dan Burns Chief Business Manager; Jeff Richard Schroeder, C.P.A., Director of General Accounting, and W. Paul Overman, Jr., Investment Analyst. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report. Special recognition is extended to Richard A. Ferner, C.P.A., Senior Accountant, for his efforts in preparing this report.

Finally, we would like to express our appreciation to the Board Members for their fiscal integrity and continued support.

Sincerely,



Eugene T. W. Sanders, Ph.D.
Superintendent and CEO



James P. Fortlage
Treasurer of the Board

TOLEDO CITY SCHOOL DISTRICT

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2005

Members of the Board of Education

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Toledo City School District are:

	Began Service as a Board Member	Present Term Expires
Larry Sykes, President	12/16/1997	12/31/2007
Deborah Barnett, Vice President	01/01/2004	12/31/2007
Peter Silverman, Member	01/01/1998	12/31/2005
Steven T. Thomas, Member	01/19/2005	12/31/2005
David E. Welch, Member	01/01/1998	12/31/2005

Superintendent

The Superintendent serves as the Chief Executive Officer of the School District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Dr. Eugene T.W. Sanders, Ph.D., Superintendent of the Toledo City School District, effective September 1, 2000. His term of office expires on July 31, 2009.

Treasurer

The Treasurer serves as the Chief Fiscal Officer of the District and Secretary to the Board of Education. The Treasurer receives, accounts for, and disburses all District funds as required by applicable laws in accordance with Board policies and regulations. The Treasurer, James P. Fortlage, has held the position since January 2, 2002. His current term of office expires in January 2, 2008.

TOLEDO CITY SCHOOL DISTRICT

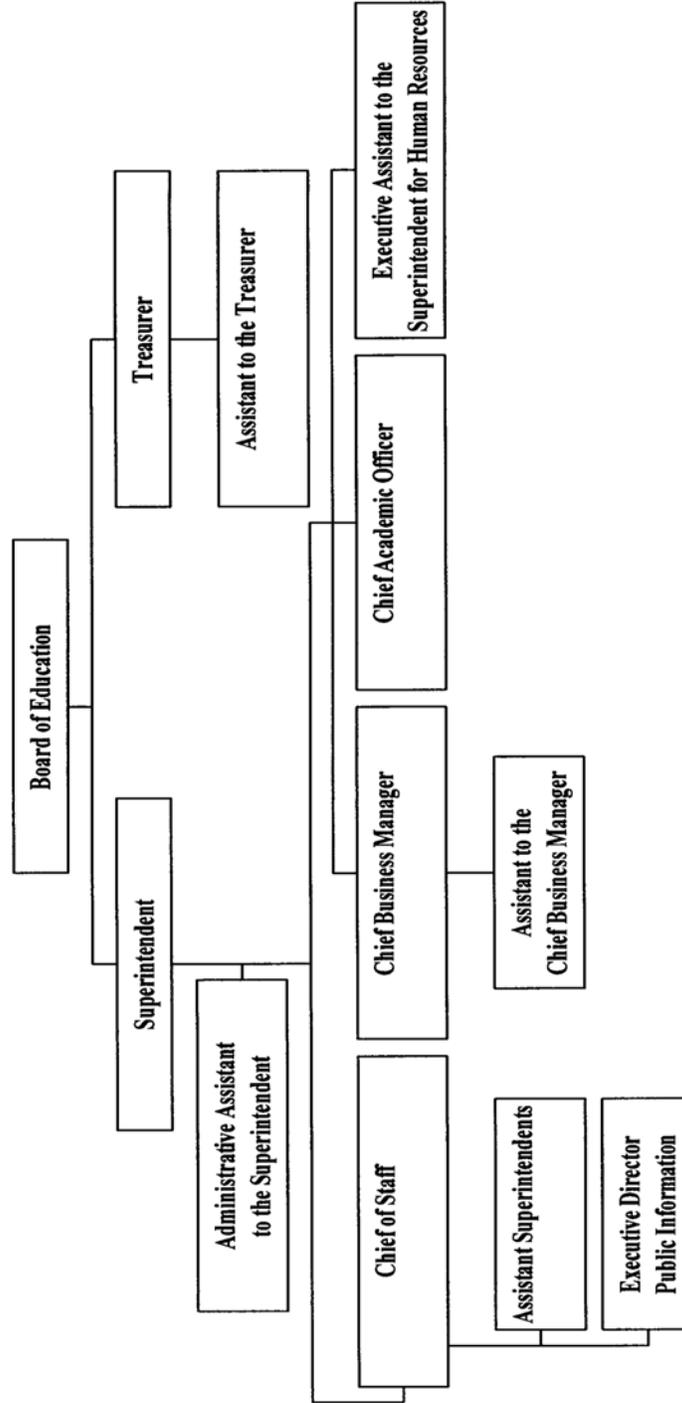
***Management Team Members and Treasurer's Office Staff
For the Fiscal Year Ended June, 30, 2005***

Management Team Members

Eugene T.W. Sanders, Ph.D.	Superintendent and Chief Executive Officer
James P. Fortlage	Treasurer of the Board
Sheila M. Austin, Ph.D.	Chief of Staff
Craig E. Cotner	Chief Academic Officer
Clinton L. Faulkner	Executive Assistant to the Superintendent for Human Resources
Jane A. Bruss	Executive Director, Public Information
Daniel J. Burns	Chief Business Manager
Jan I. Kilbride	Assistant Superintendent, High Schools
Cecelia M. Adams, Ph.D.	Assistant Superintendent, Middle Schools
Robert D. Clark	Assistant Superintendent, Elementary Schools
Jai I. Norment, II	Assistant Superintendent, Elementary Schools
John Foley	Assistant Superintendent, School Reform and Legislation
James D. Larson-Shidler, C.P.A.	Assistant to the Treasurer
Gary D. Sautter	Assistant to the Business Manager

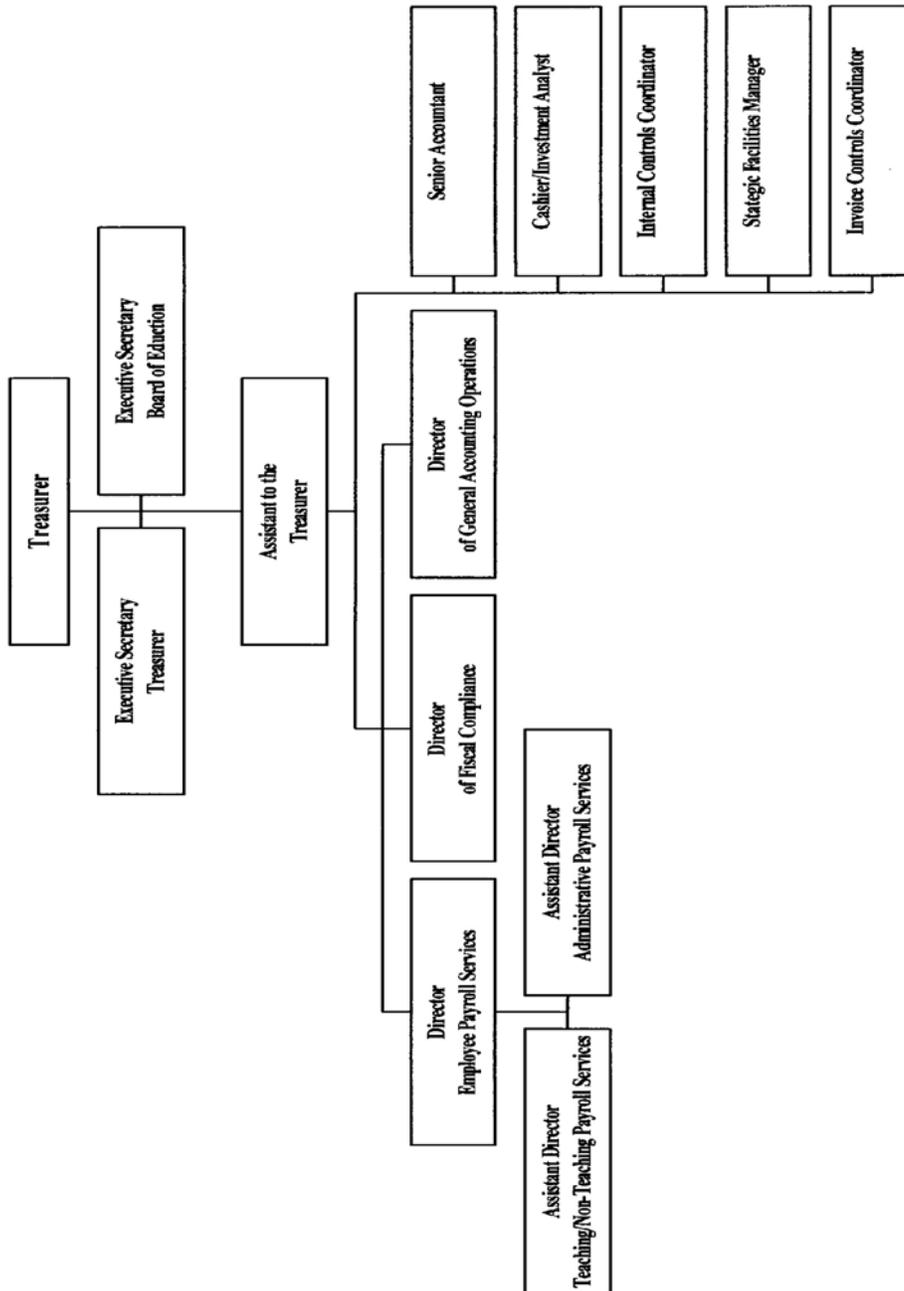
TOLEDO CITY SCHOOL DISTRICT

*School District Organizational Chart
For the Fiscal Year Ended June, 30, 2005*



TOLEDO CITY SCHOOL DISTRICT

**Treasurer's Division Organizational Chart
For the Fiscal Year Ended June, 30, 2005**



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Toledo City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 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.



Nancy L. Zjelke

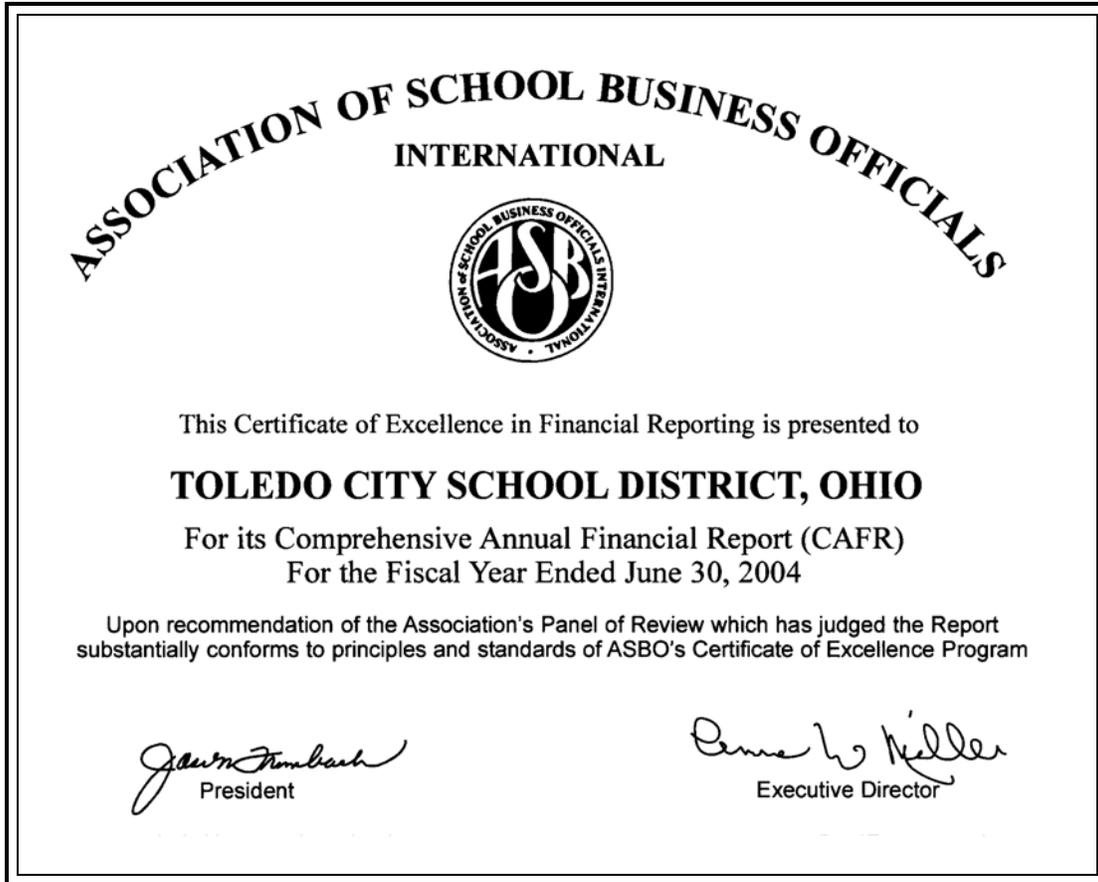
President

Jeffrey R. Emery

Executive Director

TOLEDO CITY SCHOOL DISTRICT

*Association of School Business Officials
Certificate of Excellence in Financial Reporting*





FINANCIAL SECTION





**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Toledo City School District
Lucas County
420 East Manhattan Blvd.
Toledo, OH 43608-1294

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, each major fund, and the aggregate remaining fund information of Toledo City School District, Lucas County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund 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 our report dated December 29, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements, and statistical schedules and tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 29, 2005

TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005***

Unaudited

The discussion and analysis of the Toledo City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- ❑ General revenues accounted for \$341,721,360 in revenue or 81% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$81,922,513 or 19% of total revenues of \$423,643,873. Overall, the District's financial position declined, due mainly to declining student enrollment, during the fiscal year 2005.
- ❑ The District had \$445,822,877 in expenses related to governmental activities; only \$81,922,513 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$124,155,107, unrestricted state and federal revenues totaling \$210,387,487, investment earnings totaling \$5,983,334 plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$313,146,104 in revenue, \$312,577,118 in expenditures and (\$3,093,266) in net other financing uses, resulting in the general fund balance decreasing by \$2,524,280 to (\$11,858,208). Although General Fund revenues increased, and General Fund expenditures were static, they were not sufficient to cover expenses and transfers out during fiscal year 2005.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Report consists of three parts – management's discussion and analysis, the basic financial statements, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, and student enrollment growth and facility conditions.

The government-wide financial statements of the District falls into one category:

- *Governmental Activities* – All of the district's programs and services are reported here including instruction, support services, non-instructional and extracurricular activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005**

Unaudited

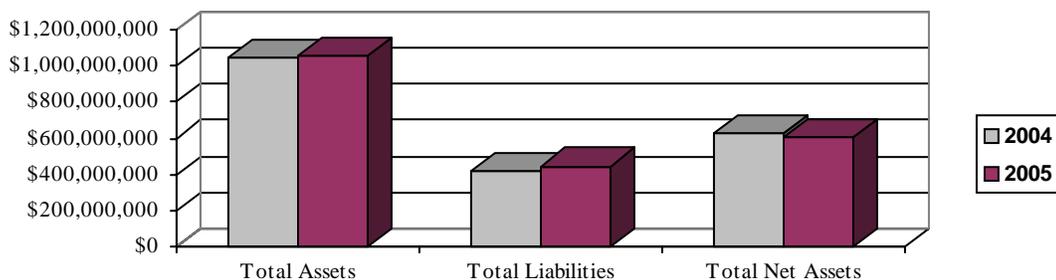
Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2005 compared to 2004:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Current and other assets	\$963,554,321	\$988,419,794	(\$24,865,473)
Capital assets, Net	93,380,433	58,558,611	34,821,822
Total assets	1,056,934,754	1,046,978,405	9,956,349
Long-term debt outstanding	207,818,930	216,448,198	(8,629,268)
Other liabilities	239,383,607	198,618,986	40,764,621
Total liabilities	447,202,537	415,067,184	32,135,353
Net assets			
Invested in capital assets, net of related debt	44,598,478	46,451,090	(1,852,612)
Restricted	600,610,804	627,111,896	(26,501,092)
Unrestricted	(35,477,065)	(41,651,765)	6,174,700
Total net assets	\$609,732,217	\$631,911,221	(\$22,179,004)

Toledo City Schools Governmental Activities



TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005**

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2005 compared to 2004:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Revenues			
Program revenues:			
Charges for Services	\$17,305,770	\$12,822,963	\$4,482,807
Operating Grants	63,212,833	69,932,639	(6,719,806)
Capital Grants	1,403,910	5,746,926	(4,343,016)
General revenues:			
Property Taxes	124,155,107	123,566,379	588,728
Grants and Entitlements	210,387,487	202,381,204	8,006,283
Other	7,178,766	2,726,152	4,452,614
Total revenues	423,643,873	417,176,263	6,467,610
Program Expenses			
Instruction	270,471,446	248,417,336	22,054,110
Support Services	135,099,356	134,366,560	732,796
Non-Instructional Services	27,827,829	25,815,679	2,012,150
Extracurricular Activities	5,262,095	5,362,388	(100,293)
Interest and Fiscal Charges	7,162,151	5,148,505	2,013,646
Total expenses	445,822,877	419,110,468	26,712,409
Total Change in Net Assets	(22,179,004)	(1,934,205)	(20,244,799)
Beginning Net Assets	631,911,221	633,845,426	(1,934,205)
Ending Net Assets	\$609,732,217	\$631,911,221	(\$22,179,004)

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home value at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, the assessed millage cannot be reduced below 20 mills, according to state statutes. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service.

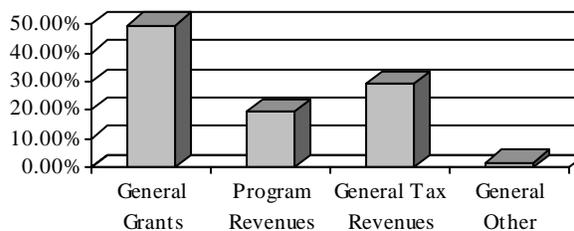
Property taxes made up approximately 29% of revenues for governmental activities for the Toledo City School District in fiscal year 2005. The District's reliance upon tax revenues is demonstrated by the following graph indicating 29.3% of total revenues from general tax revenues:

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005**

Unaudited

Revenue Sources	2005	Percent of Total
General Grants	\$210,387,487	49.66%
Program Revenues	81,922,513	19.34%
General Tax Revenues	124,155,107	29.30%
General Other	7,178,766	1.70%
Total Revenue	\$423,643,873	100.00%



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$141,786,309, which is a decrease from last year's total of \$167,209,788. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2005 and 2004.

	Fund Balance June 30, 2005	Fund Balance June 30, 2004	Increase (Decrease)
General	(\$11,858,208)	(\$9,333,928)	(\$2,524,280)
Debt Service	5,070,014	7,611,595	(2,541,581)
Permanent Improvement			
Capital Projects	4,342,168	5,113,514	(771,346)
Classroom Facilities			
Capital Projects	130,897,232	143,567,778	(12,670,546)
Other Governmental	13,335,103	20,250,829	(6,915,726)
Total	\$141,786,309	\$167,209,788	(\$25,423,479)

Although General Fund revenues increased, they were not sufficient to cover expenses and transfers out during fiscal year 2005. The Debt Service Fund decrease is due in part to the increase of repayment of debt for the School Facilities Project. The Permanent Improvement Fund, Classroom Facilities Fund and Other Governmental Funds decreases are a direct result of the start of the massive building projects undertaken by the District.

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005**

Unaudited

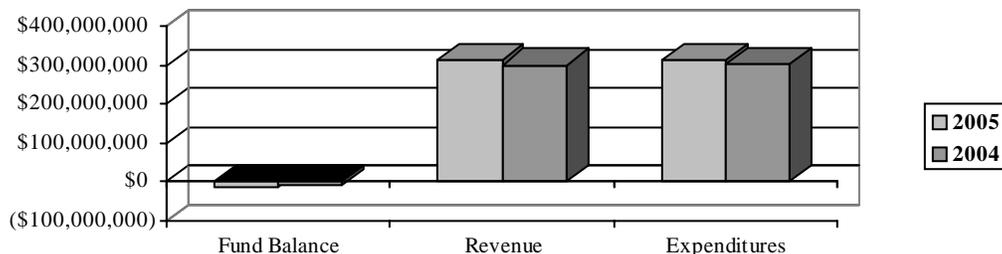
General Fund – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2005 <u>Revenues</u>	2004 <u>Revenues</u>	Increase <u>(Decrease)</u>
Taxes	\$101,939,842	\$100,369,791	\$1,570,051
Tuition	2,035,387	4,002,258	(1,966,871)
Transportation Fees	502,116	469,959	32,157
Investment Earnings	936,204	469,425	466,779
Class Materials and Fees	196,314	183,288	13,026
Intermediate Sources	12,976	678	12,298
Intergovernmental - State	197,720,951	191,029,804	6,691,147
Intergovernmental - Federal	3,584,036	2,119,683	1,464,353
All Other Revenue	6,218,278	2,557,677	3,660,601
Total	<u>\$313,146,104</u>	<u>\$301,202,563</u>	<u>\$11,943,541</u>

In FY 2004-05 total General Fund revenues increased by approximately 3.9%. Tuition revenues decreased and Other Revenue increased by approximately 49.14% and 143.12% respectively due, in part, by the District reporting, in FY 04-05 District sponsored community school reimbursements as Other Revenue instead of Tuition. Investment earnings increased by approximately 99.44% due to a continued favorable interest rate environment as well as additional revenues available for investing. There was an increase in Intergovernmental State revenues by approximately 3.5% due to increases in State pass through revenue for Charter schools. There was an increase in Intergovernmental Federal revenues of approximately 69.1% due to additional monies being received for Medicaid, State Children's Insurance Program and Impact Aid reimbursements.

	2005 <u>Expenditures</u>	2004 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Instruction	\$185,412,415	\$179,743,356	\$5,669,059
Supporting Services	113,092,697	110,889,143	2,203,554
Non-Instructional Services	10,397,010	9,822,426	574,584
Extracurricular Activities	3,581,665	3,551,623	30,042
Capital Outlay	93,331	310,167	(216,836)
Total	<u>\$312,577,118</u>	<u>\$304,316,715</u>	<u>\$8,260,403</u>

General Fund



TOLEDO CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005*

Unaudited

As can be seen expenditures increased substantially. The increases can be attributed to increases in health care and pass through community school expenses. The District reduced overall costs to keep this increase to a minimum.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The legal level of control established by the Board of Education is at the fund level.

During the course of fiscal year 2005, the District amended its General Fund budget as new sources of revenue were received. A final Supplementing/Amending Appropriation Measure was approved prior to the close of the fiscal year.

The following schedule provides a comparison of the original budget estimates compared to the final budget estimates for the General Fund:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Percent of Change</u>
General Fund			
Revenue	\$311,920,204	\$311,455,886	(.001%)
Expenditures	322,226,797	326,236,194	.0124%

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TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2005 the District had \$93,380,433 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2005 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land	\$13,752,510	\$10,281,943	\$3,470,567
Construction in Progress	45,957,834	12,191,262	33,766,572
Land Improvements	9,337,804	9,337,804	0
Buildings	64,868,195	65,227,408	(359,213)
Building Improvements	43,564,899	43,564,899	0
Machinery and Equipment	7,881,489	5,926,640	1,954,849
Vehicles	9,454,882	9,348,032	106,850
Less: Accumulated Depreciation	<u>(101,437,180)</u>	<u>(97,319,377)</u>	<u>(4,117,803)</u>
Totals	<u>\$93,380,433</u>	<u>\$58,558,611</u>	<u>\$34,821,822</u>

For financial reporting purposes the District capitalizes all assets in excess of \$5,000. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 9).

The District and the Ohio School Facilities Commission have cooperatively entered into an agreement to build and/or renovate 63 buildings at an estimated cost of \$797,817,229, for which the District's local share is \$183,498,000. This project will be over a ten-year period. To date the District has expended \$45,957,834 for Construction in Progress. In July of 2005, the District opened Ottawa River Elementary School, the first new building in the project. Two other buildings, Oakdale Elementary and East Broadway Middle School, are projected to be opened in January 2006. In addition, the District started construction on four additional school buildings during FY 2004-05.

Debt - At June 30, 2005, the District had \$40,506 in EPA Promissory Notes outstanding, due within one year and \$159,600,000 in General Obligation Bonds outstanding, \$3,200,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2005:

	2005
Governmental Activities:	
EPA Promissory Note	\$40,506
General Obligation Bonds	159,600,000
Premium on G.O. Bonds	3,739,963
Capital Leases Payable	421,765
Compensated Absences	<u>44,016,696</u>
Totals	<u>\$207,818,930</u>

Under current state statutes, the District's debt issue is subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2005, the District's outstanding debt was below the legal limit. Detailed information regarding debt is included in the notes to the basic financial statements (Note 12).

ECONOMIC FACTORS

School districts are required by Ohio law to prepare, and submit to the State Department of Education each year, a five-year financial forecast. The District submitted its last such annual forecast to the Department in October 2005. That forecast, based on assumptions that included the renewal and uninterrupted collection of existing levies expiring in 2005, maintenance of then current staffing levels and wage schedules, annually increasing costs of health (8%), prescription (12.5%) and dental (6%) benefits, utilities (3%) and transportation (3%) showed a projected year-end General Operating Funds balance of \$488,000. Additional increases in natural gas expenditures totaling \$2,100,000 for projected increases in natural gas based on current market conditions and an additional \$315,000 for significant increase in the price of gasoline was built in the projection. In order to maintain a balanced budget for fiscal year 2006-07, the Board will authorize a reduction plan totaling \$19.0 million.

In June 2005, the Board adopted a budget for fiscal year 2006 that included a reduction of approximately two hundred seventy eight professional and support staff positions.

The Administration and the collective bargaining units, representing District employees, agreed to extensions of their current contracts for a period through March 2007 with no wage increases unless new millage tax levy monies become available.

The District is self-insured for the medical, dental and prescription drug care benefits provided to its employees under current contracts with their collective bargaining units and with the individual employees who are not represented by those units. In the past several years, the District has experienced increases in the amounts paid for those claims, and the increases continue to significantly accelerate. During that period, the District has four times increased by 13% its contributions to the fund from which the claims are paid. Health benefit costs are projected to be reduced consistent with the overall reduction in staffing levels. The Board and the Administration continue to explore all methods available to reduce the District's costs for these employee health care benefits.

The Board, in cooperation with the collective bargaining units, has also begun taking steps to stabilize student enrollment and resulting allocations of State School Foundation distributions in response to competition from "community" schools. The District's strategy, to meet the needs of parents, has been to offer special magnet school learning center alternatives and single gender student academies. The magnet schools are Grove Patterson Academy in the District's Start Learning Community, the Old West End academy in the Scott Learning Community. The District's single gender academies are Lincoln Elementary School and Ella P. Stewart Elementary School. All have proved popular with students and parents resulting in total enrollment growth. The District also created three of its own charter schools to serve students in the District with special circumstances and resulting needs. The Administration, in conjunction with a consultant had developed a formal student recruitment and retention program in furtherance of its efforts to stabilize enrollment.

TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2005***

Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information contact James. P. Fortlage, Treasurer, at Toledo City School District, 420 E. Manhattan Boulevard, Toledo, Ohio 43608.



TOLEDO CITY SCHOOL DISTRICT

Statement of Net Assets
June 30, 2005

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 258,671,870
Cash with Fiscal Agent	515,322
Receivables:	
Taxes	135,187,716
Accounts	733,574
Intergovernmental	558,724,555
Interest	3,703,386
Inventory Held for Resale	1,138,194
Restricted Assets:	
Cash and Cash Equivalents	3,700,671
Unamortized Bond Issuance Costs	1,179,033
Capital Assets Not Being Depreciated	59,710,344
Capital Assets Being Depreciated, Net	33,670,089
Total Assets	1,056,934,754
Liabilities:	
Accounts Payable	74,721,945
Accrued Wages and Benefits	35,853,119
Intergovernmental Payable	14,219,095
Unearned Revenue	113,988,133
Accrued Interest Payable	601,315
Long Term Liabilities:	
Due Within One Year	3,833,124
Due in More Than One Year	203,985,806
Total Liabilities	447,202,537
Net Assets:	
Invested in Capital Assets, Net of Related Debt	44,598,478
Restricted For:	
Capital Projects	583,303,915
Debt Service	5,845,920
Permanent Fund:	
Expendable	313,819
Nonexpendable	502,291
Other Purposes	10,644,859
Unrestricted (Deficit)	(35,477,065)
Total Net Assets	\$ 609,732,217

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2005**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Instruction	\$ 270,471,446	\$ 6,691,740	\$ 9,698,033	\$ 587,963	\$ (253,493,710)
Support Services	135,099,356	5,891,099	46,836,324	815,947	(81,555,986)
Non-Instructional Services	27,827,829	0	5,390,129	0	(22,437,700)
Extracurricular Activities	5,262,095	4,722,931	1,288,347	0	749,183
Interest and Fiscal Charges	7,162,151	0	0	0	(7,162,151)
Totals	<u>\$ 445,822,877</u>	<u>\$ 17,305,770</u>	<u>\$ 63,212,833</u>	<u>\$ 1,403,910</u>	<u>(363,900,364)</u>
General Revenues					
Property Taxes Levied for:					
					106,736,207
					1,258,083
					11,700,649
					4,460,168
					210,387,487
					5,983,334
					1,195,432
					<u>341,721,360</u>
					(22,179,004)
					<u>631,911,221</u>
					<u>\$ 609,732,217</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2005**

	General	Debt Service	Permanent Improvement
Assets:			
Cash and Cash Equivalents	\$ 18,412,306	\$ 4,406,860	\$ 7,337,338
Cash with Fiscal Agent	0	0	515,322
Receivables:			
Taxes	118,051,748	13,149,087	2,626,451
Accounts	563,819	0	0
Intergovernmental	1,007,240	0	0
Interest	65,049	31,575	69,250
Interfund Loan Receivable	2,336,796	0	0
Inventory Held for Resale	317,973	0	0
Restricted Assets:			
Cash and Cash Equivalents	3,700,671	0	0
Total Assets	\$ 144,455,602	\$ 17,587,522	\$ 10,548,361
Liabilities:			
Accounts Payable	\$ 9,062,287	\$ 0	\$ 3,312,711
Accrued Wages and Benefits	22,464,843	0	0
Intergovernmental Payable	11,278,233	0	4,488
Interfund Loans Payable	0	0	0
Deferred Revenue	113,508,447	12,517,508	2,888,994
Total Liabilities	156,313,810	12,517,508	6,206,193
Fund Balances:			
Reserved for Encumbrances	7,585,532	0	2,399,454
Reserved for Supplies Inventory	317,973	0	0
Reserved for Property Taxes	4,543,301	631,579	252,779
Reserved for Budget Stabilization	3,700,671	0	0
Reserved for Endowments	0	0	0
Unreserved, Undesignated in:			
General Fund (Deficit)	(28,005,685)	0	0
Special Revenue Funds (Deficit)	0	0	0
Debt Service Fund	0	4,438,435	0
Capital Projects Funds	0	0	1,689,935
Permanent Fund	0	0	0
Total Fund Balances	(11,858,208)	5,070,014	4,342,168
Total Liabilities and Fund Balances	\$ 144,455,602	\$ 17,587,522	\$ 10,548,361

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Classroom Facilities	Other Governmental Funds	Total Governmental Funds
\$ 179,440,770	\$ 31,851,388	\$ 241,448,662
0	0	515,322
0	1,360,430	135,187,716
0	111,039	674,858
550,075,627	7,641,184	558,724,051
3,181,593	223,496	3,570,963
0	0	2,336,796
0	241,654	559,627
<u>0</u>	<u>0</u>	<u>3,700,671</u>
<u>\$ 732,697,990</u>	<u>\$ 41,429,191</u>	<u>\$ 946,718,666</u>
\$ 51,612,698	\$ 9,877,065	\$ 73,864,761
0	5,902,276	28,367,119
112,433	1,931,911	13,327,065
0	2,300,523	2,300,523
<u>550,075,627</u>	<u>8,082,313</u>	<u>687,072,889</u>
<u>601,800,758</u>	<u>28,094,088</u>	<u>804,932,357</u>
50,717,929	6,872,680	67,575,595
0	241,654	559,627
0	103,555	5,531,214
0	0	3,700,671
0	502,291	502,291
0	0	(28,005,685)
0	(1,804,134)	(1,804,134)
0	0	4,438,435
80,179,303	7,105,238	88,974,476
0	313,819	313,819
<u>130,897,232</u>	<u>13,335,103</u>	<u>141,786,309</u>
<u>\$ 732,697,990</u>	<u>\$ 41,429,191</u>	<u>\$ 946,718,666</u>

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2005***

Total Governmental Fund Balances \$ 141,786,309

***Amounts reported for governmental activities in the
statement of net assets are different because***

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 93,380,433

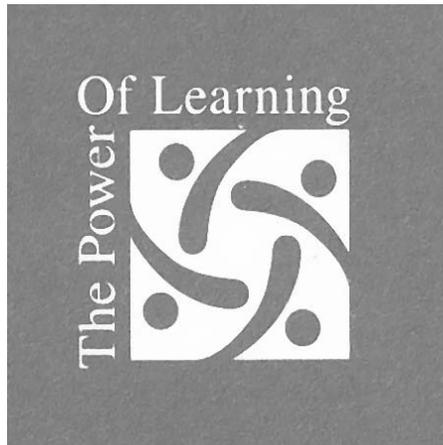
Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 574,263,789

Internal service funds are used by management to charge
the costs of insurance to individual funds. The assets
and liabilities of the internal service funds are included in
governmental activities in the statement of net assets. 8,721,931

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds. (208,420,245)

Net Assets of Governmental Funds \$ 609,732,217

See accompanying notes to the basic financial statements



TOLEDO CITY SCHOOL DISTRICT**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005**

	General	Debt Service	Permanent Improvement
Revenues:			
Taxes	\$ 101,939,842	\$ 11,700,649	\$ 4,460,168
Tuition	2,035,387	0	0
Transportation Fees	502,116	0	0
Food Services	0	0	0
Investment Earnings	936,204	(38,302)	186,083
Extracurricular Activities	0	0	0
Class Materials and Fees	196,314	0	0
Intermediate Sources	12,976	0	0
Intergovernmental - State	197,720,951	1,550,985	706,942
Intergovernmental - Federal	3,584,036	0	0
All Other Revenue	6,218,278	0	0
Total Revenue	313,146,104	13,213,332	5,353,193
Expenditures:			
Current:			
Instruction	185,412,415	0	84,243
Supporting Services	113,092,697	164,134	1,606,720
Non-Instructional Services	10,397,010	0	18,183
Extracurricular Activities	3,581,665	0	12,700
Capital Outlay	93,331	0	4,535,193
Debt Service:			
Principal Retirement	0	8,293,000	0
Interest and Fiscal Charges	0	7,297,779	0
Total Expenditures	312,577,118	15,754,913	6,257,039
Excess (Deficiency) of Revenues Over Expenditures	568,986	(2,541,581)	(903,846)
Other Financing Sources (Uses):			
Transfers In	54,563	0	132,500
Transfers Out	(3,147,829)	0	0
Total Other Financing Sources (Uses)	(3,093,266)	0	132,500
Net Change in Fund Balance	(2,524,280)	(2,541,581)	(771,346)
Fund Balances (Deficit) at Beginning of Year	(9,333,928)	7,611,595	5,113,514
Fund Balances (Deficit) End of Year	\$ (11,858,208)	\$ 5,070,014	\$ 4,342,168

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Classroom Facilities	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 1,258,083	\$ 119,358,742
0	1,230,671	3,266,058
0	0	502,116
0	2,061,867	2,061,867
4,606,607	264,595	5,955,187
0	1,592,106	1,592,106
0	216,413	412,727
0	7,956	20,932
47,788,143	35,195,770	282,962,791
0	44,608,986	48,193,022
<u>745,459</u>	<u>3,709,868</u>	<u>10,673,605</u>
<u>53,140,209</u>	<u>90,146,315</u>	<u>474,999,153</u>
0	43,566,204	229,062,862
2,613,875	27,385,171	144,862,597
0	17,380,269	27,795,462
0	1,571,958	5,166,323
63,196,880	10,119,205	77,944,609
0	0	8,293,000
<u>0</u>	<u>0</u>	<u>7,297,779</u>
<u>65,810,755</u>	<u>100,022,807</u>	<u>500,422,632</u>
(12,670,546)	(9,876,492)	(25,423,479)
0	2,999,492	3,186,555
<u>0</u>	<u>(38,726)</u>	<u>(3,186,555)</u>
<u>0</u>	<u>2,960,766</u>	<u>0</u>
(12,670,546)	(6,915,726)	(25,423,479)
<u>143,567,778</u>	<u>20,250,829</u>	<u>167,209,788</u>
<u>\$ 130,897,232</u>	<u>\$ 13,335,103</u>	<u>\$ 141,786,309</u>

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended June 30, 2005***

Net Change in Fund Balances - Total Governmental Funds \$(25,423,479)

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	34,821,822
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(51,576,554)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	8,839,689
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	13,666
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	4,211,226
The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>6,934,626</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$(22,179,004)</u></u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Revenue from Local Sources	\$ 178,586,470	\$ 107,350,442	\$ 111,851,567	\$ 4,501,125
Revenue from State Sources	128,542,203	197,720,951	197,720,951	0
Revenue from Federal Sources	2,071,982	3,584,036	3,584,036	0
Total Revenues	<u>309,200,655</u>	<u>308,655,429</u>	<u>313,156,554</u>	<u>4,501,125</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	74,494,843	100,382,693	100,382,683	10
Special	25,660,511	34,090,372	34,090,372	0
Vocational Education	8,065,909	10,292,584	10,292,583	1
Other	40,060,300	44,845,836	44,845,836	0
Support Services:				
Pupils	13,546,883	16,898,856	16,898,852	4
Instructional Staff	10,546,471	13,163,548	13,163,545	3
Board of Education	145,963	142,272	142,271	1
Administration	16,227,195	20,156,873	20,156,873	0
Fiscal Services	4,476,379	5,296,560	5,296,560	0
Business	2,179,076	2,200,509	2,200,509	0
Operation and Maintenance of Plant	28,246,451	33,135,177	33,135,177	0
Pupil Transportation	9,444,479	13,327,950	13,327,950	0
Central	6,292,110	7,697,269	7,697,269	0
Other Services:				
Food Service Operations	19,074	61,830	61,830	0
Community Services	1,031,242	1,034,587	1,034,587	0
Other Operation of Non-Instructional Services.	69,173,202	10,300,859	10,300,859	0
Academic and Subject Oriented Activities	396,015	436,969	436,969	0
Occupation Oriented Activities	100,457	89,922	89,922	0
Sport Oriented Activities	2,475,077	2,941,197	2,941,197	0
School and Public Service Co-Curricular. Activitie	186,832	213,645	213,645	0
Contingencies	3,700,671	3,700,671	0	3,700,671
Site Improvement Services	198,239	193,371	193,371	0
Total Expenditures	<u>316,667,379</u>	<u>320,603,550</u>	<u>316,902,860</u>	<u>3,700,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,466,724)	(11,948,121)	(3,746,306)	8,201,815

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(3,509,408)	(3,190,540)	(3,190,540)	0
Advances In	2,303,509	2,401,359	2,401,359	0
Advances Out	(2,000,010)	(2,434,646)	(2,434,646)	0
Refund of Prior Year's Expenditures	416,040	399,098	399,098	0
Refund of Prior Year's Receipts	(50,000)	(7,458)	(7,458)	0
Total Other Financing Sources (Uses):	<u>(2,839,869)</u>	<u>(2,832,187)</u>	<u>(2,832,187)</u>	<u>0</u>
Net Change in Fund Balances	(10,306,593)	(14,780,308)	(6,578,493)	8,201,815
Fund Balance at Beginning of Year	8,582,183	8,582,183	8,582,183	0
Prior Year Encumbrances	<u>9,556,731</u>	<u>9,556,731</u>	<u>9,556,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,832,321</u>	<u>\$ 3,358,606</u>	<u>\$ 11,560,421</u>	<u>\$ 8,201,815</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Net Assets
Proprietary Funds
June 30, 2005***

	Governmental Activities - Internal Service Funds
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 17,223,208
Receivables:	
Accounts	58,716
Intergovernmental	504
Interest	132,423
Materials and Supplies Inventory	<u>578,567</u>
Total Assets	<u>17,993,418</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	857,184
Accrued Wages and Benefits	7,486,000
Intergovernmental Payable	892,030
Interfund Loans Payable	<u>36,273</u>
Total Liabilities	<u>9,271,487</u>
Net Assets:	
Unrestricted	<u>8,721,931</u>
Total Net Assets	<u><u>\$ 8,721,931</u></u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2005**

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Interfund Charges	\$ 48,159,545
Total Operating Revenues	<u>48,159,545</u>
Operating Expenses:	
Personal Services	1,067,948
Purchased Services	39,987,501
Supplies and Materials	602,664
Miscellaneous	20,030
Total Operating Expenses	<u>41,678,143</u>
Operating Income	6,481,402
Nonoperating Revenue:	
Investment Earnings	453,224
Total Nonoperating Revenues	<u>453,224</u>
Change in Net Assets	6,934,626
Net Assets Beginning of Year	<u>1,787,305</u>
Net Assets End of Year	<u>\$ 8,721,931</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2005**

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$48,551,804
Cash Payments to Employees for Services and Benefits	(45,444,892)
Net Cash Provided by Operating Activities	<u>3,106,912</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Advances In from Other Funds	36,273
Net Cash Provided by Noncapital Financing Activities	<u>36,273</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	354,192
Net Cash Provided by Investing Activities	<u>354,192</u>
Net Increase in Cash and Cash Equivalents	3,497,377
Cash and Cash Equivalents at Beginning of Year	<u>13,725,831</u>
Cash and Cash Equivalents at End of Year	<u><u>\$17,223,208</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>	
Operating Income	\$6,481,402
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	192,690
Decrease in Intergovernmental Receivables	3,258
Increase in Inventory	(123,163)
Increase in Accounts Payable	663,035
Decrease in Accrued Wages and Benefits	(3,668,000)
Decrease in Intergovernmental Payables	(442,310)
Total Adjustments	<u>(3,374,490)</u>
Net Cash Provided by Operating Activities	<u><u>\$3,106,912</u></u>

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

**Statement of Net Assets
Fiduciary Funds
June 30, 2005**

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 1,173,405	\$ 511,187
Receivables:		
Accounts	100	9,684
Interest	10,731	4,939
Total Assets	<u>1,184,236</u>	<u>525,810</u>
Liabilities:		
Accounts Payable	11,173	72,795
Intergovernmental Payable	12,439	2,610
Due to Students	0	450,405
Total Liabilities	<u>23,612</u>	<u>525,810</u>
Net Assets:		
Unrestricted	<u>1,160,624</u>	<u>0</u>
Total Net Assets	<u>\$ 1,160,624</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2005**

	Private Purpose Trust <u>Special Trust Fund</u>
Additions:	
Contributions:	
Sales	\$ 24,209
Dues and Fees	5,368
Private Donations	<u>47,123</u>
Total Contributions	<u>76,700</u>
Investment Earnings:	
Interest	12,154
Net Increase in the Fair Value of Investments	<u>6,948</u>
Total Investment Earnings	<u>19,102</u>
Total Additions	<u>95,802</u>
Deductions:	
Administrative Expenses	<u>198,562</u>
Total Deductions	<u>198,562</u>
Change in Net Assets	(102,760)
Net Assets at Beginning of Year	<u>1,263,384</u>
Net Assets End of Year	<u>\$ 1,160,624</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Toledo City School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the School District's instructional support facilities staffed by approximately 1,736 noncertified and approximately 3,276 certified teaching personnel and administrative employees providing education to 32,998 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the application of the above criteria for a component unit, and the criteria for defining joint ventures set forth under section J50.102 of the 2004 Codification there are no component units or "Joint Ventures." Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings. The District is the sponsor of the Brigadoon, Polly Fox, Phoenix Academies and the Toledo School for the Arts, all charter schools established under Chapter 3314 of the Ohio Revised Code. These community schools are not considered part of the District.

The accounting policies and financial reporting practices of the District conform to Generally Accepted Accounting Principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated 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 grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Fund - This fund is the general operating fund of the District and is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Permanent Improvement Capital Projects Fund - The Permanent Improvement Capital Projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Classroom Facilities Fund - The Classroom Facilities capital projects fund accounts for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - The proprietary funds are accounted for on a “economic resources” measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Internal Service Funds - The 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 District or to other governments on a cost-reimbursement basis. The District uses internal service funds to account for employee health insurance and workers’ compensation.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District’s own programs. The District’s trust fund is a private purpose trust that accounts for scholarship programs for students and unclaimed monies. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on an accrual basis of accounting. The District has two agency funds. One fund is used to account for federal grant monies used for tuition in Toledo Public Schools’ Adult Education programs and the other to account for student activity programs.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no activities considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. Interfund services provided and used are not eliminated in the process of consolidation. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Government-wide, proprietary and fiduciary fund financial statements measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items 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. Agency funds use no measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2005, and which are not intended to finance fiscal 2005 operations, have been recorded as unearned revenue on the Statement of Net Assets. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2005 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the Certificate of Estimated Resources and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the fund level.

Supplemental budgetary modifications may only be made by resolution of the Board of Education.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final Amended Official Certificate of Estimated Resources issued during fiscal year 2005.

3. Appropriations

A Temporary Appropriation Measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An Annual Appropriation Resolution must be passed by October 1 of each year for the period July 1 through June 30. The Appropriation Resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications. Pursuant to the provisions of Section 323.17, Ohio Revised Code, an exception to the October 1 filing deadline is permitted when the delivery of a tax duplicate, from the County Auditor, is delayed. For fiscal year 2005, the Board of Education, following receipt of a delayed tax duplicate from the County Auditor, passed the annual certification on February 22, 2005.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal 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 subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$2,524,280)
Increase (Decrease):	
Accrued Revenues at June 30, 2005, received during FY 2006	(8,834,178)
Accrued Revenues at June 30, 2004, received during FY 2005	8,245,692
Accrued Expenditures at June 30, 2005, paid during FY 2006	42,805,363
Accrued Expenditures at June 30, 2004, paid during FY 2005	(35,714,004)
2005 Adjustment to Fair Value	(10,939)
Encumbrances Outstanding	<u>(10,546,147)</u>
Budget Basis	<u><u>(\$6,578,493)</u></u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

Cash received by the District is deposited in one of six banks with individual fund balance integrity maintained throughout. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term cash equivalent investments, which are stated at cost. In accordance with 2450.106 of the 2004 GASB Codification on reporting cash flows of Proprietary Funds, cash equivalents are defined as investments of the cash management pool and short term, highly liquid investments that are readily convertible to cash and so near to maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of less than three months are considered to meet this definition; otherwise they are shown as "investments" for these funds. At June 30, 2005, there were no investment balances as defined under section 2450.106 of the 2004 GASB Codification.

During fiscal year 2005, investment purchases were exclusively limited to Repurchase Agreements, Star Ohio, Commercial Paper, Banker's Acceptance, U.S. Treasury Obligations, U.S. Agency Issues, Interest Bearing Savings Accounts and a Money Market Mutual Fund. Except for participating interest earning investments and money market investments that had a remaining maturity of one year or less at the time of purchase and non-participating interest earning investments, investments are reported at market. All remaining investments are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to certain funds and according to Board resolution. The District's investments are affected by market change; therefore, they are participating. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$936,204, which includes \$8,619 assigned from other funds.

The District has invested funds in the STAR Ohio during 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940 and is rated AAA by Standard and Poor's Rating Agency. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005.

The District invests inactive funds of deposit accounts maintained at the school building level (School Building Support, Vocational Rotary, and Administratively Managed Student Activity Funds) and distributes, from the General Fund, interest earned on these funds to the individual accounts. The District also invests inactive funds in the Auxiliary Services Program Fund, the school Facilities Maintenance Fund, the Locally Funded Initiatives Fund, the Classroom Facilities Fund and distributes interest earned directly to the funds. See Note 4, "Cash, Cash Equivalents and Investments."

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

From July 1, 2004, the investment portfolio exhibited an increase in market value of approximately \$18 million, while the average maturity decreased by 97 days and the average yield increased by 128 basis points (1.28%). The increase in par value was directly attributable to the investment of funds related to the Ohio School Facilities Commission Building Project. Interest earnings since July 1, 2004, were up approximately 140% as the interest rate environment continued to rise as more dollars were available for investment.

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During the fiscal year 2005, the balance in the Budget Stabilization reserve was \$3,700,671.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower-of-cost-or-market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Capital Assets and Depreciation

1. Property, Plant and Equipment - Governmental Activities

Capital assets generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$5,000.

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition.

2. Depreciation

All capital assets, except for land, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (in years)
Land Improvements	20
Buildings	45-100
Furniture, Fixtures and Equipment	5 - 20
Vehicles	5 - 10

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Bond Retirement Fund
General Obligation Long-Term Note	Bond Retirement Fund
Capital Leases	General Fund Permanent Improvement Fund Food Service Fund
Compensated Absences	General Fund Food Service Fund Adult Education Fund

K. Compensated Absences and Salary Related Payments

The District has implemented the provisions of Section C60 of the 2004 GASB Codification. Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the District has identified as probable of receiving payment in the future and other salary related payments. The amount is based on accumulated sick leave and employee's wage rates at year-end, taking into consideration any limits specified in the District's severance policy. For governmental funds, that portion of unpaid compensated absences that has matured and is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, the current portion of "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include restricted state and federal grants.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

N. Intergovernmental Revenues

Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred with the exception of those grants where the grant period extends past June 30. For these grants, prepayment amounts that exceed related expenditures are reported as deferred revenue.

O. Interfund Activity

Exchange transactions between governmental funds are eliminated on the government-wide statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for endowments, supplies inventory, property taxes, budget stabilization and encumbered amounts, which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute. The reserve for budget stabilization is required by State statute.

Q. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2005.

NOTE 2 – 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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Tax Revenue	\$16,184,141
Grants Receivable	556,900,615
Unamortized Bond Issuance Costs	1,179,033
	<hr/>
	\$574,263,789

Long-Term liabilities not reported in the funds:

Accrued Interest Payable on G.O. Bond Payable	\$601,315
Long-Term Note Payable	40,506
G.O. Bonds Payable	163,339,963
Capital Leases Payable	421,765
Compensated Absences Payable	44,016,696
	<hr/>
	\$208,420,245

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$39,299,452
Depreciation Expense	<u>(4,477,630)</u>
	\$34,821,822

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$4,796,365
Decrease in Grants Receivable	(56,172,515)
Decrease in Interest Receivable	<u>(200,404)</u>
	(\$51,576,554)

Net amount of long-term debt issuance and bond and lease principal payments:

Long-Term Note Principal Payment	\$93,000
Capital Lease Payments	406,890
G.O. Bond Principal Payment	8,200,000
Amortize Premium on G.O. Bonds Issued	<u>139,799</u>
	\$8,839,689

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$210,421)
Decrease in Long-Term Pension Liability	4,439,484
Amortization of Bond Issuance Costs	<u>(17,837)</u>
	\$4,211,226

TOLEDO CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2005

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2005 of \$11,858,208 in the General Fund, \$308,484 in the Food Service Fund, \$67,608 in the Adult Education Fund, \$5,390 in the Post Secondary Vocational Education Fund, \$17,355 in the Teacher Development Fund, \$3,109,148 in the Pupil Impact Aid Fund, \$58,832 in the Ohio READS Fund, \$709 in the Vocational Education Enhancement Fund, \$45,512 in the Alternative Schools Fund, \$236,659 in the Vocational Education Fund, \$183,009 in the Drug Free Schools Fund, \$10,871 in the EHA Preschool Handicapped Fund and \$1,186,799 in the Reducing Class Size Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with Financial Institutions

At June 30, 2005, the carrying amount of all District deposits was \$38,710,378. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2005, \$33,659,901 cash concentration accounts, savings accounts and certificates of deposit included in deposits of the District's bank balance of \$34,541,787 was exposed to custodial risk as discussed below, while \$881,886 was covered by Federal Deposit Insurance Corporation.

Custodial risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. Consistent with the requirements of state law, it is the policy of the District to require full collateralization of all District investments and funds on deposit with any depository. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

Any District holdings in sweep accounts, savings accounts or certificates of deposit are collateralized with pooled securities. Any repurchase agreement with a maturity greater than 30 days requires physical delivery of specific securities to a third party custodian. Repurchase agreement activity maturing 30 days and less is collateralized by pooled securities. At June 30, 2005, there were no Repurchase Agreements with a maturity of greater than 30 days.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of June 30, 2005, the District had the following investments and maturities.

Investment Type	June 30, 2005 Adjusted Cost	June 30, 2005 Fair Value	Investment Maturity in Years		
			Less than One	One to Two	Two to Five
Star Ohio	\$9,344,656	\$9,344,656	\$9,344,656	\$0	\$0
Bank Repurchase Agreements	20,418,292	20,418,292	20,418,292	0	0
Commercial Paper	1,800,000	1,800,000	1,800,000	0	0
Non-Callable US Agency Securities	118,483,169	118,567,070	108,645,170	9,921,900	0
Callable US Agency Securities	30,001,244	29,903,200	0	9,968,800	19,934,400
Coupon Step US Agency Securities	46,000,000	45,828,860	9,915,600	0	35,913,260
	\$226,047,361	\$225,862,077	\$150,123,717	\$19,890,700	\$55,847,660
			66.47%	8.81%	24.73%

**Note: The maturity analysis above assumes that callable securities will not be called.
All investment securities are assumed to mature on their final stated maturity date.**

The Weighted Average Maturity (in Days) of the Entire Investment Portfolio from Purchase Date to Maturity Date	593
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	363
The Weighted Average Yield of the Entire Portfolio is:	2.906%

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years and less. As of June 30, 2005, seventy five percent (75%) of the investment portfolio matures within one year, while sixty-six percent (66%) of the portfolio matures within two years.

Investment Policy

The District's investment policy is more restrictive in nature than the requirements of the Ohio Revised Code; providing for safety of principal, liquidity, diversity of portfolio assets while minimizing associated investment risks. The policy is intended to compliment the law and provide guidance to District personnel while administering the daily cash management and investment practices of the District. The policy is reviewed at least annually to incorporate any changes in the Ohio Revised Code; consider recommendations made by the Auditor of State's Office and the Ohio Compliance Supplement; monitor changes in "best practices" published by the Government Finance Officers Association; and reflect any legislative changes on behalf of the Toledo Board of Education. The policy has been reviewed and has received a national certification from the Association of Public Treasurer's Investment Policy Certification Committee.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk

The District's investments, except for repurchase agreements, savings accounts, sweep accounts and certificates of deposit as discussed above were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services respectively. The holdings in the State Treasury Asset Reserve Fund (STAR Ohio) have been assigned an AAAM money market rating by Standard & Poor's. As required by District policy all commercial paper holdings were rated A1-P1 by Standard & Poor's and Moody's Investor Service respectively at the time of purchase. Combined holdings of Commercial Paper and Banker Acceptances are limited to 25% of total investment portfolio holdings. The mutual fund used to transact third party safekeeping of U.S. Treasury, U.S. Agency, Commercial Paper, Banker's Acceptance securities and select Repurchase Agreement Collateral, has been assigned an AAA rating based on the securities held in the fund. All District holdings in U.S. Agency securities carry the explicit guarantee of the United States government and are rated Aaa by Moody's and AAA by Standard & Poor's rating agencies.

Concentration of Credit Risk

In order to avoid an undue concentration of credit risk, the District's investment policy places limits on the amount that may be invested in any one issuer at any one time. The limits are as follows:

- (a) No more than ten percent (10%) of average portfolio outstandings will be invested in Certificates of Deposit of any one Depository at any one time. District Funds invested in Certificates of Deposit of any one Depository may not exceed thirty percent of the Depository's assets. Only collateralized, non-negotiable Certificates of Deposit, from Depository's approved to hold interim funds, will be considered for purchase.
- (b) No more ten percent (10%) of average portfolio outstandings will be invested in Term Repurchase Agreements of any one issuer at any one time. Deliverable collateral consisting of U.S. Government Securities with a market value equal to at least 102% of principal plus interest of the transaction and with a maturity of five years or less is required for all Term Repurchase Agreement transactions.
- (c) Pooled collateral is acceptable on all district demand deposits. Delivery of collateral is **not** required on demand repurchase agreement activities (i.e. overnight cash management accounts with depositories). Surety bond collateral is acceptable for Certificate of Deposit investments if the insurer is rated in the highest class by a national recognized rating agency.
- (d) No more than ten percent (10%) of average portfolio outstandings will be invested in Commercial Paper in any one issuer at any one time.
- (e) No more than ten percent (10%) of average portfolio outstandings will be invested in Banker's Acceptances in any one issuer at any one time.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following table includes the percentage of total of each investment type held by the District at June 30, 2005:

Concentration of Credit Risk by Investment Type

<u>Investment Type</u>	June 30, 2005	
	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$9,344,656	4.14%
Bank Repurchase Agreements	20,418,291	9.04%
Commercial Paper	1,800,000	0.80%
Non-Callable US Agency Securities	118,567,070	52.50%
Callable US Agency Securities	29,903,200	13.24%
Coupon Step US Agency Securities	45,828,860	20.28%
Total Investments	<u>\$225,862,077</u>	<u>100.00%</u>

The following table includes the percentage of total of each issuer of investments held by the District at June 30, 2005:

Concentration of Credit Risk by Investment Issuer

<u>Issuer</u>	June 30, 2005	
	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$9,344,656	4.14%
National City Bank	2,024,000	0.90%
KeyBank	1,979,611	0.88%
Huntington National Bank	16,414,680	7.27%
American Express Credit Corporation	1,800,000	0.80%
Federal Home Loan Bank System	94,550,910	41.86%
Federal National Mortgage Association	57,208,040	25.33%
Federal Home Loan Mortgage Corporation	39,550,500	17.50%
Federal Farm Credit System	2,989,680	1.32%
Total Investments	<u>\$225,862,077</u>	<u>100.00%</u>

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2005 were levied after October 1, 2004 on assessed values as of January 1, 2004, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The most recent revaluation was completed in November 2004. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amended Substitute House Bill Number 66 phases out by 2010 the reimbursements school districts receive for the \$10,000 exemption in tangible personal property tax. House Bill 66 also eliminates all three components of the tangible personal property tax by 2010. Districts will be held harmless for lost revenue based on 2004 valuations, through a combination of the school funding formula and direct payments by the state. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Toledo City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2005, upon which the 2004 levies were based, were as follows:

	2004 Second Half	2005 First Half
	<u>Collections</u>	<u>Collections</u>
Real Estate	\$2,658,991,600	\$2,693,299,190
Tangible Personal and Public Utility Property	<u>474,582,425</u>	<u>440,319,809</u>
Total Assessed Value	<u>\$3,133,574,025</u>	<u>\$3,133,618,999</u>
Taxrate per \$1,000 of assessed valuation	\$67.60	\$67.35

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 6 - RECEIVABLES

Receivables at June 30, 2005 consisted of taxes, interest receivable, accounts receivable and intergovernmental receivables.

NOTE 7 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2005 from one individual fund to another are as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$2,336,796	\$0
Other Governmental Funds	0	2,300,523
Internal Service Funds	0	36,273
Totals	<u>\$2,336,796</u>	<u>\$2,336,796</u>

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2005:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$54,563	\$3,147,829
Permanent Improvement Capital Projects Fund	132,500	0
Other Governmental Funds	2,999,492	38,726
Total All Funds	<u>\$3,186,555</u>	<u>\$3,186,555</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2005:

Historical Cost:

<u>Class</u>	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Capital assets not being depreciated:				
Land	\$10,281,943	\$3,486,917	(\$16,350)	\$13,752,510
Construction in Progress	12,191,262	33,766,572	0	45,957,834
Capital assets being depreciated:				
Land Improvements	9,337,804	0	0	9,337,804
Buildings	65,227,408	72,579	(431,792)	64,868,195
Building Improvements	43,564,899	0	0	43,564,899
Machinery and Equipment	5,926,640	1,954,849	0	7,881,489
Vehicles	9,348,032	106,850	0	9,454,882
Total Cost	<u>\$155,877,988</u>	<u>\$39,387,767</u>	<u>(\$448,142)</u>	<u>\$194,817,613</u>

Accumulated Depreciation:

<u>Class</u>	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Land Improvements	(\$7,578,876)	(\$255,115)	\$0	(\$7,833,991)
Buildings	(52,418,181)	(1,246,150)	359,827	(53,304,504)
Building Improvements	(27,467,173)	(1,547,270)	0	(29,014,443)
Machinery and Equipment	(2,938,208)	(953,915)	0	(3,892,123)
Vehicles	(6,916,939)	(475,180)	0	(7,392,119)
Total Depreciation	<u>(\$97,319,377)</u>	<u>(\$4,477,630) *</u>	<u>\$359,827</u>	<u>(\$101,437,180)</u>

Net Value: \$58,558,611 \$93,380,433

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$2,731,789
Support Services	1,318,933
Non-Instructional Services	273,442
Extracurricular Activities	153,466
Total Depreciation Expense	<u>\$4,477,630</u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System of Ohio (SERS of Ohio)

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 9.09% was allocated to fund the pension benefit. The contribution requirement of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS's Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$6,302,077, \$6,478,364, and \$6,744,050, respectively; 22.29% has been contributed for fiscal year 2005 and 100% for fiscal years 2004 and 2003.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code. A DB or Combined Plan member with five or more years credited service that becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal years ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employees. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employers contributions.

The District's required contributions for pension obligations for the years ending June 30, 2005, 2004, and 2003 were \$22,729,511, \$23,123,243, and \$24,950,260, respectively; 83.66% has been contributed for fiscal year 2005 and 100% for fiscal years 2004 and 2003.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

A. School Employees Retirement System of Ohio (SERS of Ohio)

The District provides comprehensive health care benefits to retired SERS participants with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

For the fiscal year ended June 30, 2005, employer contribution to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year ended 2005 the minimum pay has been established at \$27,400. For the District, the amount to fund health care benefits, including the surcharge, equaled \$3,143,622 for the fiscal year ended June 30, 2005.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)

Health Care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2004 (latest information available) were \$223.4 million and the target level was \$335.2 million. At June 30, 2004, the Retirement System's net assets available for payment of health care benefits was \$300.8 million. The number of benefit recipients currently receiving health care benefits is approximately 62,000.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). Benefits include hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established based on authority granted by State statute. The plan is on a pay-as-you-go basis.

The State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of monthly premiums. By law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year June 30, 2004, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$1,623,537 for the fiscal year ended June 30, 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$3.1 billion at June 30, 2004 (the latest information available). For fiscal year ended June 30, 2004 net health care costs paid by STRS Ohio were \$268,739,000. There were 111,853 eligible benefit recipients.

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 12 - LONG-TERM DEBT

Long-term debt of the District at June 30, 2005 was as follows:

Description	Balance June 30, 2004	Issued	(Retired)	Balance June 30, 2005	Amount Due Within One Year
Governmental Activities:					
<u>General Obligation Bond:</u>					
School Facility Improvement					
G.O. Bond (2.00% - 5.00%)	\$64,200,000	\$0	(\$8,200,000)	\$56,000,000	\$1,260,000
Premium General Obligation Bond	1,511,508	0	(58,135)	1,453,373	58,135
School Facility Improvement					
G.O. Bond (2.00% - 5.00%)	103,600,000	0	0	103,600,000	1,940,000
Premium General Obligation Bond	2,368,254	0	(81,664)	2,286,590	81,664
Total General Obligation Bond	171,679,762	0	(8,339,799)	163,339,963	3,339,799
<u>General Obligation Long-Term Note:</u>					
1987 EPA Promissory Note - 0.00%	133,506	0	(93,000)	40,506	40,506
<u>Obligations Under Capital Lease:</u>					
Governmental Activities	828,655	0	(406,890)	421,765	199,869
<u>Other Obligations:</u>					
Compensated Absences	43,806,275	5,010,285	(4,799,864)	44,016,696	252,950
Long-Term Debt and Other Long-Term Obligations	\$216,448,198	\$5,010,285	(\$13,639,553)	\$207,818,930	\$3,833,124

During fiscal year 1987 the District issued a promissory note in the amount of \$1,668,006 at 0.00% for the purpose of asbestos removal.

During fiscal years 2003 and 2004 the District issued General Obligation Bonds in the amounts of \$72,500,000 and \$103,600,000 respectively to finance School Facility Improvement building projects.

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 12 - LONG-TERM DEBT (Continued)

A summary of the District's future long-term debt funding requirements for the long-term note and general obligation bond payable, including principal and interest payments as of June 30, 2005, follows:

<u>General Obligation Long-Term Note / Bond Payable</u>			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$3,240,506	\$7,183,779	\$10,424,285
2007	3,265,000	7,119,129	10,384,129
2008	3,330,000	7,047,877	10,377,877
2009	3,415,000	6,964,899	10,379,899
2010	3,505,000	6,870,593	10,375,593
2011-2015	19,450,000	32,400,473	51,850,473
2016-2020	24,370,000	27,231,238	51,601,238
2021-2025	31,285,000	20,260,780	51,545,780
2026-2030	40,135,000	11,518,068	51,653,068
2031-2033	27,645,000	1,994,528	29,639,528
Totals	<u>\$159,640,506</u>	<u>\$128,591,364</u>	<u>\$288,231,870</u>

NOTE 13 - LEASES

A. Operating Lease

The District leased a building under an operating lease. Total cost for such lease was \$285,496 for the year ended June 30, 2005. The future lease payment for this lease is as follows

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2006	\$285,496
Total	<u>\$285,496</u>

B. Capital Leases

The District has entered into certain other agreements to lease equipment and other assets. Such agreements are, in substance, purchases (capital leases) and are accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Long-Term Obligations. The original cost of the assets under capital lease amounted to \$1,410,620 for vehicles and \$6,233,811 in machinery and equipment.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 13 – LEASES (Continued)

B. Capital Leases (Continued)

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2005

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2006	\$234,718
2007	234,718
Minimum Lease Payments	469,436
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(47,671)</u>
Present value of minimum lease payments	<u><u>\$421,765</u></u>

NOTE 14 - CONSTRUCTION COMMITMENTS

The School District and the Ohio School Facilities Commission (OSFC) entered into a Master Facilities Plan that calls for (1) the construction of 39 new elementary schools, 12 new middle schools, 5 new high schools and 1 combined elementary/middle school and (2) the renovation of 3 elementary schools, a combined middle school/high school, 2 high schools and an aviation education center. The District and the OSFC currently estimate the total budget for the project is \$797,817,229. To date the District has expended \$45,957,834 in Construction in Progress costs.

NOTE 15 - ENDOWMENTS

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. For the year ended June 30, 2005, the net appreciation on investments of donor-restricted endowments was (\$9,188). Under the terms of the endowment/trust, and consistent with State statutes, the District is authorized to spend the net appreciation from the trust for any disbursements that are consistent with the original trust agreement. At June 30, 2005, accumulated available net appreciation of \$313,819 is reported in unrestricted net assets.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 16 - RISK MANAGEMENT

The District is exposed to financial loss resulting from District-caused damage to property or bodily injuries or illness of employees, unemployment compensation benefits to previous employees, and employee health care, prescription drug, dental and life insurance benefits. The Administrative Services - Employee Benefit Self-Insurance Fund, an internal service fund, is used to account for, and finance self-insurance activities. This fund includes prescription drug, dental and health insurance benefits. The District also maintains an Administrative Services - Workers Compensation Fund, which was established under the State of Ohio's retrospective rating plan provisions. These costs are also accounted for in an Internal Service fund.

In accordance with section C50.141 of the 2004 GASB Codification, estimated liabilities are accrued in all Self-Insurance funds for the value of current outstanding claims and claims incurred but not reported (IBNR). Annual actuarial studies are performed for the Employee Benefit Self Insurance and Workers Compensation Funds to determine the recommended funding levels for related risk areas. The claims liability of \$7,486,000 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$892,030 (Intergovernmental Payable) in the Workers Compensation Self-Insurance Fund is based on the requirements of Government Accounting Standards Board Statement 10 as amended by Government Accounting Standards Board Statement 30. This statement requires that a liability for claims be reported if information indicates, prior to the issuance of the financial statements, 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 fund's claims liability amount in 2004 and 2005 were:

<u>Fiscal Year</u>	<u>Unpaid Claims Beginning of Fiscal Year</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>Unpaid Claims Ending of Fiscal Year</u>
2004	\$12,548,872	48,759,859	(49,329,925)	\$11,978,806
2005	11,978,806	40,968,976	(44,569,752)	8,378,030

District property, employee life, and all other insurance coverage's are provided by commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005**

NOTE 17 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2005, the reserve activity (cash-basis) was as follows:

	Materials and Supplies	Capital Maintenance	Budget Stabilization	Total
Set-aside Balance as of June 30, 2004	(\$6,977,527)	\$0	\$3,700,671	(\$3,276,856)
Current Year Set-Aside Requirement	5,164,158	5,164,158	0	10,328,316
Current Year Offset Credits	0	(5,162,006)	0	(5,162,006)
Qualifying Disbursements	(6,786,292)	(14,101,674)	0	(20,887,966)
Total	<u>(\$8,599,661)</u>	<u>(\$14,099,522)</u>	<u>\$3,700,671</u>	<u>(\$18,998,512)</u>
Set-aside Balance Carried Forward to FY 2006	<u>\$0</u>	<u>\$0</u>	<u>\$3,700,671</u>	<u>\$3,700,671</u>

The District had additional offsets and qualifying disbursements during the year in the Materials and Supplies set-aside that may be used to reduce the set-aside requirements of future years. Although the District had offsets and qualifying disbursements during the year that reduced the Capital Maintenance set-aside amount below zero, the extra amount may not be used to reduce the Capital Maintenance set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for Capital Maintenance.

NOTE 18 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

B. Litigation

The District is a party to several legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2005. The District's management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the District.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005***

NOTE 18 – CONTINGENCIES (Continued)

C. State School Funding

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current-funding plan is unconstitutional.

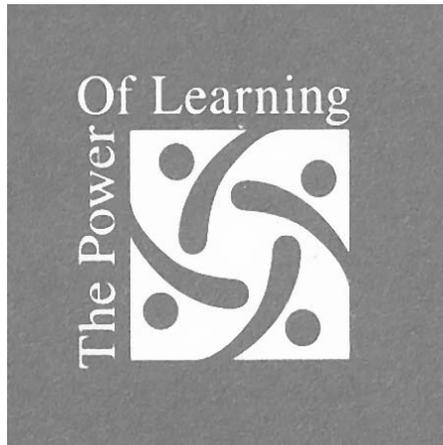
The Supreme Court relinquished jurisdiction over the case and directed, 'the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient.' The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

NOTE 19 – SUBSEQUENT EVENTS

On November 2, 2005, the electors of the District overwhelmingly approved the renewal of the 2.5 mill permanent improvement expense levy that was to expire in 2005 for a five year period.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, INTERNAL
SERVICE FUNDS AND FIDUCIARY FUNDS.*



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Food Service Fund

A fund used to record financial transactions related to food service operations.

Uniform School Supplies Fund

A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sales is to be used for school purposes or activities in connection with the school.

Vocational Rotary Fund

A fund provided to account for revenue and expenses made in connection with goods and services provided by a school district. Activities using this fund tend to be curricular in nature. As an example, this fund would be used to account for receipts and purchases made in connection with the sale of consumer services provided by vocational education classes such as cosmetology or auto mechanics. This fund is also used to account for "Life Enrichment Programs" offered by a school district.

Adult Education Fund

A fund provided to account for transactions made in connection with adult education classes.

School Building Support Fund

A fund provided to account for specific local revenue sources, other than taxes that are restricted to expenditures for specific purposes approved by board resolution. Such expenditures may include curricular and extracurricular related purchases.

Other Grants Fund

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

School Facilities Maintenance Fund

A fund provided to account for the proceeds of a levy for the maintenance of facilities.

Administratively Managed Student Activity Fund

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corp., and other similar types of activities.

(Continued)

Special Revenue Funds

Auxiliary Services Fund

A fund used to account for monies that provide services and materials to pupils attending non-public schools within the school district.

Post Secondary Vocational Education Fund

A fund provided to account for receipts and expenditures incurred providing opportunities for adults to acquire adequate employment skills.

Teacher Development Fund

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Excellence in Education Fund

A fund provided to account for pupil competency assessment and instructional development in English Composition, Mathematics and Reading as required by the minimum standards for Ohio Schools. This fund is also provided to account for expenses related to the Ohio Science Olympics and to the International Science and Engineering Fair.

Management Information System Fund

A fund for hardware and software development, or other costs associated with the requirements of the management information system.

Public School Preschool Fund

A fund to assist school districts in paying the cost of preschool programs for three and four year olds.

Disadvantaged Pupil Impact Aid Fund

A fund used to account for monies received for disadvantaged pupil impact aid.

Data Communication Fund

A fund used to account for monies received for the maintenance of the Ohio Educational Computer Network connections.

SchoolNet Professional Development Fund

A fund provided to account for a limited number of professional development subsidy grants.

Special Education Funding for Collaborative Efforts Fund

A fund used to account for special education transitional funding for collaborative efforts set forth in House Bill 770.

(Continued)

Special Revenue Funds

Ohio Reads Grant Fund

A fund intended 1) to improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Student Intervention Fund

A fund used to account for student intervention services in accordance with Ohio Revised Code Section 3313.608, division (E).

Vocational Education Enhancement Fund

A fund used to account for Vocational Education Enhancement that: 1) expand number of students enrolled in tech prep programs, 2) enable students to develop career plans, 3) replace or update equipment essential for instruction of students in job skills.

Alternative Schools Fund

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at the risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Miscellaneous State Fund

A fund used to account for money received from the state government which is not classified elsewhere.

Adult Basic Education Fund

Provision of funds for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent; development of basic educational skills; increase of opportunities for useful employment; improvement of attitudes toward self, family, and community.

Title I – Migrant Education Fund

Provision of funds for instructional programs for children of migratory agricultural workers; efforts to help youngsters who are deficient in oral English language facility and related language art skills; efforts to build foundations for expanded opportunities for useful adult employment.

Special Education Handicapped Fund

Provision of Grants to assist states in the identification of handicapped children, development of procedural safeguards, implementation of less restrictive alternative services patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

(Continued)

Special Revenue Funds

Vocational Education Fund

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects. Includes sex equity grants.

Title VII Bilingual Education Program Fund

Provision of funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational need of children of limited English proficiency..

Chapter I Fund

To provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Chapter II Fund

To consolidate various programs into a single authorization of grants to States for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Drug-Free Schools Grant Fund

To provide financial assistance for programs of drug abuse education and prevention.

Preschool Grants for the Handicapped Fund

To provide financial assistance to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Telecommunications Act Grant Fund

A fund to account for a federal grants which is paid directly to the telecommunication service provider.

Reducing Class Size Fund

A fund used to improve student achievement by reducing pupil/teacher ration in kindergarten through grade three.

Miscellaneous Federal Grants Fund

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which is not classified elsewhere.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Locally Funded Initiative Fund

A fund used to account for receipts and expenditures related to special bond funds in the district. Expenditures recorded represent the costs of acquiring capital facilities including real property.

SchoolNet Fund

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Technology Equity Grant Fund

A fund to account for technology equity to low-wealth school districts. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Special Capital Projects Fund

A fund provided to account for major renovations and repairs of school facilities as directed by the Ohio School Facilities Commission.

Permanent Fund

The Permanent Fund are used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the District's programs.

Endowments Fund

A fund used to account for money, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 15,428,222	\$ 15,601,355	\$ 821,811	\$ 31,851,388
Receivables:				
Taxes	1,360,430	0	0	1,360,430
Accounts	111,039	0	0	111,039
Intergovernmental	7,641,184	0	0	7,641,184
Interest	62,508	153,048	7,940	223,496
Inventory Held for Resale	241,654	0	0	241,654
Total Assets	\$ 24,845,037	\$ 15,754,403	\$ 829,751	\$ 41,429,191
Liabilities:				
Accounts Payable	\$ 5,536,497	\$ 4,335,350	\$ 5,218	\$ 9,877,065
Accrued Wages and Benefits	5,902,276	0	0	5,902,276
Intergovernmental Payable	1,930,411	0	1,500	1,931,911
Interfund Loans Payable	2,262,437	38,086	0	2,300,523
Deferred Revenue	8,082,313	0	0	8,082,313
Total Liabilities	23,713,934	4,373,436	6,718	28,094,088
Fund Balances:				
Reserved for Encumbrances	2,590,028	4,275,729	6,923	6,872,680
Reserved for Supplies Inventory	241,654	0	0	241,654
Reserved for Property Taxes	103,555	0	0	103,555
Reserved for Endowments	0	0	502,291	502,291
Unreserved, Undesignated in:				
Special Revenue Funds	(1,804,134)	0	0	(1,804,134)
Capital Projects Funds	0	7,105,238	0	7,105,238
Permanent Fund	0	0	313,819	313,819
Total Fund Balances	1,131,103	11,380,967	823,033	13,335,103
Total Liabilities and Fund Balances	\$ 24,845,037	\$ 15,754,403	\$ 829,751	\$ 41,429,191

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,258,083	\$ 0	\$ 0	\$ 1,258,083
Tuition	1,230,671	0	0	1,230,671
Food Services	2,061,867	0	0	2,061,867
Investment Earnings	135,228	115,373	13,994	264,595
Extracurricular Activities	1,592,106	0	0	1,592,106
Class Materials and Fees	216,413	0	0	216,413
Intermediate Sources	7,956	0	0	7,956
Intergovernmental - State	33,772,360	1,423,410	0	35,195,770
Intergovernmental - Federal	44,608,986	0	0	44,608,986
All Other Revenue	3,709,868	0	0	3,709,868
Total Revenue	88,593,538	1,538,783	13,994	90,146,315
Expenditures:				
Current:				
Instruction	43,564,087	0	2,117	43,566,204
Supporting Services	26,986,987	377,201	20,983	27,385,171
Operation of Non-Instructional Services	17,380,269	0	0	17,380,269
Extracurricular Activities	1,571,958	0	0	1,571,958
Capital Outlay	26,320	10,092,885	0	10,119,205
Total Expenditures	89,529,621	10,470,086	23,100	100,022,807
Excess (Deficiency) of Revenues Over Expenditures	(936,083)	(8,931,303)	(9,106)	(9,876,492)
Other Financing Sources (Uses):				
Transfers In	2,999,492	0	0	2,999,492
Transfers Out	(38,726)	0	0	(38,726)
Total Other Financing Sources (Uses)	2,960,766	0	0	2,960,766
Net Change in Fund Balance	2,024,683	(8,931,303)	(9,106)	(6,915,726)
Fund Balances (Deficit) at Beginning of Year	(893,580)	20,312,270	832,139	20,250,829
Fund Balances End of Year	\$ 1,131,103	\$ 11,380,967	\$ 823,033	\$ 13,335,103

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005**

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	School Building Support
Assets:					
Cash and Cash Equivalents	\$ 46,371	\$ 69,368	\$ 212,745	\$ 185,125	\$ 860,278
Receivables:					
Taxes	0	0	0	0	0
Accounts	4,789	2,453	1,114	81,882	14,410
Intergovernmental	110,217	0	0	9,255	0
Interest	0	0	2,055	0	8,311
Inventory Held for Resale	241,654	0	0	0	0
Total Assets	\$ 403,031	\$ 71,821	\$ 215,914	\$ 276,262	\$ 882,999
Liabilities:					
Accounts Payable	\$ 41,162	\$ 37,300	\$ 15,782	\$ 43,630	\$ 104,584
Accrued Wages and Benefits	216,013	0	0	86,198	1,770
Intergovernmental Payable	347,871	0	1,618	44,793	101
Interfund Loans Payable	106,469	0	0	169,249	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	711,515	37,300	17,400	343,870	106,455
Fund Balances:					
Reserved for Encumbrances	37,883	18,159	6,914	4,231	55,941
Reserved for Supplies Inventory	241,654	0	0	0	0
Reserved for Property Taxes	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	(588,021)	16,362	191,600	(71,839)	720,603
Total Fund Balances (Deficit)	(308,484)	34,521	198,514	(67,608)	776,544
Total Liabilities and Fund Balances	\$ 403,031	\$ 71,821	\$ 215,914	\$ 276,262	\$ 882,999

TOLEDO CITY SCHOOL DISTRICT

<u>Other Grants</u>	<u>School Facilities Maintenance</u>	<u>Administratively Managed Student Activity</u>	<u>Auxiliary Services Program</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>	<u>Excellence in Education</u>
\$ 395,892	\$ 3,348,353	\$ 386,133	\$ 1,733,251	\$ 0	\$ 47,616	\$ 19,816
0	1,360,430	0	0	0	0	0
3,540	0	2,851	0	0	0	0
170,822	0	0	0	5,839	39,401	12,384
0	31,759	3,730	16,653	0	0	0
0	0	0	0	0	0	0
<u>\$ 570,254</u>	<u>\$ 4,740,542</u>	<u>\$ 392,714</u>	<u>\$ 1,749,904</u>	<u>\$ 5,839</u>	<u>\$ 87,017</u>	<u>\$ 32,200</u>
\$ 69,964	\$ 0	\$ 54,545	\$ 1,089,858	\$ 0	\$ 21,499	\$ 16,453
78,051	0	0	270,979	0	3,837	210
44,481	0	0	70,953	0	233	145
3,640	0	0	0	5,390	39,402	10,517
0	1,256,875	0	0	5,839	39,401	0
<u>196,136</u>	<u>1,256,875</u>	<u>54,545</u>	<u>1,431,790</u>	<u>11,229</u>	<u>104,372</u>	<u>27,325</u>
52,959	9,800	21,430	560,272	0	31,410	1,415
0	0	0	0	0	0	0
0	103,555	0	0	0	0	0
<u>321,159</u>	<u>3,370,312</u>	<u>316,739</u>	<u>(242,158)</u>	<u>(5,390)</u>	<u>(48,765)</u>	<u>3,460</u>
<u>374,118</u>	<u>3,483,667</u>	<u>338,169</u>	<u>318,114</u>	<u>(5,390)</u>	<u>(17,355)</u>	<u>4,875</u>
<u>\$ 570,254</u>	<u>\$ 4,740,542</u>	<u>\$ 392,714</u>	<u>\$ 1,749,904</u>	<u>\$ 5,839</u>	<u>\$ 87,017</u>	<u>\$ 32,200</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005**

	Management Information System	Public School Preschool	Entry Year Programs Teachers	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development
Assets:					
Cash and Cash Equivalents	\$ 31,313	\$ 31,914	\$ 1,617	\$ 2	\$ 1,662
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	21,964	8,320	0	0	131
Interest	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Total Assets	\$ 53,277	\$ 40,234	\$ 1,617	\$ 2	\$ 1,793
Liabilities:					
Accounts Payable	\$ 1,061	\$ 5,429	\$ 1,617	\$ 0	\$ 0
Accrued Wages and Benefits	2,176	14,117	0	2,593,143	0
Intergovernmental Payable	6,014	4,228	0	516,007	0
Interfund Loans Payable	0	0	0	0	0
Deferred Revenue	21,964	0	0	0	131
Total Liabilities	31,215	23,774	1,617	3,109,150	131
Fund Balances:					
Reserved for Encumbrances	699	4,029	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0
Reserved for Property Taxes	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	21,363	12,431	0	(3,109,148)	1,662
Total Fund Balances (Deficit)	22,062	16,460	0	(3,109,148)	1,662
Total Liabilities and Fund Balances	\$ 53,277	\$ 40,234	\$ 1,617	\$ 2	\$ 1,793

TOLEDO CITY SCHOOL DISTRICT

<u>Ohio Reads Grant</u>	<u>Student Intervention</u>	<u>Vocational Education Enhancement</u>	<u>Alternative Schools</u>	<u>Miscellaneous State</u>	<u>Adult Basic Education</u>	<u>Title I Migrant Education</u>
\$ 127,758	\$ 348,519	\$ 12,512	\$ 16,897	\$ 396,679	\$ 54,621	\$ 3,814
0	0	0	0	0	0	0
0	0	0	0	0	0	0
33,316	100,192	0	0	405,491	511,827	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 161,074</u>	<u>\$ 448,711</u>	<u>\$ 12,512</u>	<u>\$ 16,897</u>	<u>\$ 802,170</u>	<u>\$ 566,448</u>	<u>\$ 3,814</u>
\$ 38,424	\$ 316,293	\$ 3,790	\$ 12,781	\$ 237,860	\$ 21,051	\$ 1,144
62,951	12,768	3,531	40,337	4,451	67,473	1,249
90,586	2,114	3,910	9,291	4,380	27,397	726
27,945	86,185	1,990	0	28,169	65,178	0
0	0	0	0	403,243	364,466	0
<u>219,906</u>	<u>417,360</u>	<u>13,221</u>	<u>62,409</u>	<u>678,103</u>	<u>545,565</u>	<u>3,119</u>
3,025	42,157	4,875	11,551	128,993	594	428
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(61,857)</u>	<u>(10,806)</u>	<u>(5,584)</u>	<u>(57,063)</u>	<u>(4,926)</u>	<u>20,289</u>	<u>267</u>
<u>(58,832)</u>	<u>31,351</u>	<u>(709)</u>	<u>(45,512)</u>	<u>124,067</u>	<u>20,883</u>	<u>695</u>
<u>\$ 161,074</u>	<u>\$ 448,711</u>	<u>\$ 12,512</u>	<u>\$ 16,897</u>	<u>\$ 802,170</u>	<u>\$ 566,448</u>	<u>\$ 3,814</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005**

	Special Education Handicapped	Vocational Education	Title VII Bilingual Education	Chapter I	Chapter II
Assets:					
Cash and Cash Equivalents	\$ 1,236,082	\$ 300,020	\$ 87,264	\$ 2,846,146	\$ 92,339
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	1,623,768	0	151,773	2,122,812	625,579
Interest	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Total Assets	\$ 2,859,850	\$ 300,020	\$ 239,037	\$ 4,968,958	\$ 717,918
Liabilities:					
Accounts Payable	\$ 561,360	\$ 286,410	\$ 43,033	\$ 772,365	\$ 31,586
Accrued Wages and Benefits	394,698	97,865	12,737	1,399,857	27,500
Intergovernmental Payable	182,008	35,413	5,748	324,414	9,479
Interfund Loans Payable	5	116,991	66,920	52,067	0
Deferred Revenue	1,623,768	0	68,550	2,023,269	625,579
Total Liabilities	2,761,839	536,679	196,988	4,571,972	694,144
Fund Balances:					
Reserved for Encumbrances	390,529	1,520	45,726	499,612	20,038
Reserved for Supplies Inventory	0	0	0	0	0
Reserved for Property Taxes	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	(292,518)	(238,179)	(3,677)	(102,626)	3,736
Total Fund Balances (Deficit)	98,011	(236,659)	42,049	396,986	23,774
Total Liabilities and Fund Balances	\$ 2,859,850	\$ 300,020	\$ 239,037	\$ 4,968,958	\$ 717,918

TOLEDO CITY SCHOOL DISTRICT

<u>Drug Free School Grant</u>	<u>Preschool Grants for the Handicapped</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 12,964	\$ 19,876	\$ 1,403,530	\$ 1,097,745	\$ 15,428,222
0	0	0	0	1,360,430
0	0	0	0	111,039
0	20,365	0	1,667,728	7,641,184
0	0	0	0	62,508
0	0	0	0	241,654
<u>\$ 12,964</u>	<u>\$ 40,241</u>	<u>\$ 1,403,530</u>	<u>\$ 2,765,473</u>	<u>\$ 24,845,037</u>
\$ 4,091	\$ 15,108	\$ 1,105,757	\$ 582,560	\$ 5,536,497
25,721	23,848	267,654	193,142	5,902,276
14,165	12,156	130,211	41,969	1,930,411
151,996	0	1,086,707	243,617	2,262,437
0	0	0	1,649,228	8,082,313
<u>195,973</u>	<u>51,112</u>	<u>2,590,329</u>	<u>2,710,516</u>	<u>23,713,934</u>
0	8,394	337,536	289,908	2,590,028
0	0	0	0	241,654
0	0	0	0	103,555
<u>(183,009)</u>	<u>(19,265)</u>	<u>(1,524,335)</u>	<u>(234,951)</u>	<u>(1,804,134)</u>
<u>(183,009)</u>	<u>(10,871)</u>	<u>(1,186,799)</u>	<u>54,957</u>	<u>1,131,103</u>
<u>\$ 12,964</u>	<u>\$ 40,241</u>	<u>\$ 1,403,530</u>	<u>\$ 2,765,473</u>	<u>\$ 24,845,037</u>

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	School Building Support
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	1,211,571	0
Investment Earnings	0	0	3,673	0	15,463
Food Service	2,061,867	0	0	0	0
Extracurricular Activities	0	2,681	328,645	0	674,282
Classroom Materials and Fees	0	200,772	0	0	0
Intermediate Sources	0	0	0	0	0
State Sources	347,677	0	0	340,808	0
Federal Sources	6,458,725	0	0	0	0
Miscellaneous Revenue	129,817	0	3,662	0	114,238
Total Revenue	8,998,086	203,453	335,980	1,552,379	803,983
Expenditures:					
Current:					
Instruction	0	269,770	306,177	1,616,139	148,919
Support Services	132,878	0	0	52,543	43,465
Non-Instructional Services	11,702,169	0	0	11,705	0
Extracurricular Activities	0	0	0	0	749,153
Capital Outlay	0	0	0	26,320	0
Total Expenditures	11,835,047	269,770	306,177	1,706,707	941,537
Excess (Deficiency) of Revenues Over Expenditures	(2,836,961)	(66,317)	29,803	(154,328)	(137,554)
Other Financing Sources (Uses):					
Transfers In	2,455,007	77,386	3,182	4,704	86,111
Transfers Out	0	0	(25,120)	0	(6,225)
Total Other Financing Sources (Uses)	2,455,007	77,386	(21,938)	4,704	79,886
Net Change in Fund Balance	(381,954)	11,069	7,865	(149,624)	(57,668)
Residual Equity Transfer In (Out)	0	0	0	0	0
Fund Balances (Deficit) at Beginning of Year	73,470	23,452	190,649	82,016	834,212
Fund Balances (Deficit) End of Year	\$ (308,484)	\$ 34,521	\$ 198,514	\$ (67,608)	\$ 776,544

TOLEDO CITY SCHOOL DISTRICT

<u>Other Grants</u>	<u>School Facilities Maintenance</u>	<u>Administratively Managed Student Activity</u>	<u>Auxiliary Services Program</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>	<u>Excellence in Education</u>
\$ 0	\$ 1,258,083	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	81,730	7,428	26,934	0	0	0
0	0	0	0	0	0	0
0	0	586,498	0	0	0	0
0	0	15,641	0	0	0	0
7,956	0	0	0	0	0	0
0	157,794	0	4,842,895	15,374	438,422	67,500
0	0	159	0	0	0	0
3,420,986	0	41,165	0	0	0	0
<u>3,428,942</u>	<u>1,497,607</u>	<u>650,891</u>	<u>4,869,829</u>	<u>15,374</u>	<u>438,422</u>	<u>67,500</u>
88,385	0	0	143,205	1,271	398,026	48,235
2,862,555	17,849	490	496,045	20,763	57,751	16,595
0	0	0	4,285,037	0	0	0
0	0	822,805	0	0	0	0
0	0	0	0	0	0	0
<u>2,950,940</u>	<u>17,849</u>	<u>823,295</u>	<u>4,924,287</u>	<u>22,034</u>	<u>455,777</u>	<u>64,830</u>
478,002	1,479,758	(172,404)	(54,458)	(6,660)	(17,355)	2,670
0	0	175,903	0	0	0	0
0	0	(7,250)	0	0	0	0
0	0	168,653	0	0	0	0
478,002	1,479,758	(3,751)	(54,458)	(6,660)	(17,355)	2,670
420,607	0	0	0	0	0	0
(524,491)	2,003,909	341,920	372,572	1,270	0	2,205
<u>\$ 374,118</u>	<u>\$ 3,483,667</u>	<u>\$ 338,169</u>	<u>\$ 318,114</u>	<u>\$ (5,390)</u>	<u>\$ (17,355)</u>	<u>\$ 4,875</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	Management Information System	Public School Preschool	Entry Year Programs Teachers	Disadvantaged Pupil Impact Aid	Data Communication
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	19,100	0	0	0
Investment Earnings	0	0	0	0	0
Food Service	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Intermediate Sources	0	0	0	0	0
State Sources	108,020	207,745	55,000	23,325,450	186,000
Federal Sources	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenue	108,020	226,845	55,000	23,325,450	186,000
Expenditures:					
Current:					
Instruction	0	12,776	0	19,049,661	0
Support Services	166,108	197,800	55,000	4,199,484	186,000
Non-Instructional Services	0	0	0	170,449	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	166,108	210,576	55,000	23,419,594	186,000
Excess (Deficiency) of Revenues Over Expenditures	(58,088)	16,269	0	(94,144)	0
Other Financing Sources (Uses):					
Transfers In	0	0	0	156,547	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	156,547	0
Net Change in Fund Balance	(58,088)	16,269	0	62,403	0
Residual Equity Transfer In (Out)	0	0	0	0	0
Fund Balances (Deficit) at Beginning of Year	80,150	191	0	(3,171,551)	0
Fund Balances (Deficit) End of Year	\$ 22,062	\$ 16,460	\$ 0	\$ (3,109,148)	\$ 0

TOLEDO CITY SCHOOL DISTRICT

SchoolNet Professional Development	Special Education Funding for Collaborative Efforts	Ohio Reads Grant	Student Intervention	Vocational Education Enhancement	Alternative Schools	Miscellaneous State
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,250	0	292,500	1,421,253	109,795	436,651	1,008,577
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>11,250</u>	<u>0</u>	<u>292,500</u>	<u>1,421,253</u>	<u>109,795</u>	<u>436,651</u>	<u>1,008,577</u>
0	0	174,298	1,340,303	26,716	292,877	478,290
16,168	0	287,490	49,599	88,505	169,773	238,048
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>16,168</u>	<u>0</u>	<u>461,788</u>	<u>1,389,902</u>	<u>115,221</u>	<u>462,650</u>	<u>716,338</u>
(4,918)	0	(169,288)	31,351	(5,426)	(25,999)	292,239
131	0	0	0	0	0	0
(131)	0	0	0	0	0	0
0	0	0	0	0	0	0
(4,918)	0	(169,288)	31,351	(5,426)	(25,999)	292,239
0	(21,326)	0	0	0	0	21,326
6,580	21,326	110,456	0	4,717	(19,513)	(189,498)
<u>\$ 1,662</u>	<u>\$ 0</u>	<u>\$ (58,832)</u>	<u>\$ 31,351</u>	<u>\$ (709)</u>	<u>\$ (45,512)</u>	<u>\$ 124,067</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	Adult Basic Education	Title I Migrant Education	Special Education Handicapped	Vocational Education	Title VII Bilingual Education
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Food Service	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Intermediate Sources	0	0	0	0	0
State Sources	399,649	0	0	0	0
Federal Sources	316,170	22,667	8,211,680	1,547,979	150,885
Miscellaneous Revenue	0	0	0	0	0
Total Revenue	715,819	22,667	8,211,680	1,547,979	150,885
Expenditures:					
Current:					
Instruction	550,936	32,583	2,504,611	654,349	97,047
Support Services	82,086	514	4,704,210	807,732	55
Non-Instructional Services	0	0	207,630	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	633,022	33,097	7,416,451	1,462,081	97,102
Excess (Deficiency) of Revenues Over Expenditures	82,797	(10,430)	795,229	85,898	53,783
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	82,797	(10,430)	795,229	85,898	53,783
Residual Equity Transfer In (Out)	0	0	0	0	0
Fund Balances (Deficit) at Beginning of Year	(61,914)	11,125	(697,218)	(322,557)	(11,734)
Fund Balances (Deficit) End of Year	\$ 20,883	\$ 695	\$ 98,011	\$ (236,659)	\$ 42,049

TOLEDO CITY SCHOOL DISTRICT

Chapter I	Chapter II	Drug Free School Grant	Preschool Grants for the Handicapped	Telecommunications Act Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,258,083
0	0	0	0	0	0	0	1,230,671
0	0	0	0	0	0	0	135,228
0	0	0	0	0	0	0	2,061,867
0	0	0	0	0	0	0	1,592,106
0	0	0	0	0	0	0	216,413
0	0	0	0	0	0	0	7,956
0	0	0	0	0	0	0	33,772,360
18,550,808	559,170	249,927	309,854	0	3,013,798	5,217,164	44,608,986
0	0	0	0	0	0	0	3,709,868
<u>18,550,808</u>	<u>559,170</u>	<u>249,927</u>	<u>309,854</u>	<u>0</u>	<u>3,013,798</u>	<u>5,217,164</u>	<u>88,593,538</u>
11,012,522	413,303	8,916	18,107	0	2,324,277	1,552,388	43,564,087
6,164,517	71,392	422,165	275,930	0	2,226,742	2,876,735	26,986,987
736,632	32,228	4,880	0	0	5,319	224,220	17,380,269
0	0	0	0	0	0	0	1,571,958
0	0	0	0	0	0	0	26,320
<u>17,913,671</u>	<u>516,923</u>	<u>435,961</u>	<u>294,037</u>	<u>0</u>	<u>4,556,338</u>	<u>4,653,343</u>	<u>89,529,621</u>
637,137	42,247	(186,034)	15,817	0	(1,542,540)	563,821	(936,083)
0	0	0	0	0	0	40,521	2,999,492
0	0	0	0	0	0	0	(38,726)
0	0	0	0	0	0	40,521	2,960,766
637,137	42,247	(186,034)	15,817	0	(1,542,540)	604,342	2,024,683
0	0	0	0	(420,607)	0	0	0
(240,151)	(18,473)	3,025	(26,688)	420,607	355,741	(549,385)	(893,580)
<u>\$ 396,986</u>	<u>\$ 23,774</u>	<u>\$ (183,009)</u>	<u>\$ (10,871)</u>	<u>\$ 0</u>	<u>\$ (1,186,799)</u>	<u>\$ 54,957</u>	<u>\$ 1,131,103</u>

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005**

	Locally Funded Initiative	Special Capital Projects	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 14,995,534	\$ 605,821	\$ 15,601,355
Interest	153,048	0	153,048
Total Assets	<u>\$ 15,148,582</u>	<u>\$ 605,821</u>	<u>\$ 15,754,403</u>
Liabilities:			
Accounts Payable	\$ 4,138,617	\$ 196,733	\$ 4,335,350
Interfund Loans Payable	0	38,086	38,086
Total Liabilities	<u>4,138,617</u>	<u>234,819</u>	<u>4,373,436</u>
Fund Balances:			
Reserved for Encumbrances	3,866,643	409,086	4,275,729
Unreserved, Undesignated in: Capital Projects Funds	7,143,322	(38,084)	7,105,238
Total Fund Balances	<u>11,009,965</u>	<u>371,002</u>	<u>11,380,967</u>
Total Liabilities and Fund Balances	<u>\$ 15,148,582</u>	<u>\$ 605,821</u>	<u>\$ 15,754,403</u>

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005**

	Locally Funded Initiative	SchoolNet	Special Capital Projects	Total Nonmajor Capital Projects Funds
Revenues:				
Investment Earnings	\$ 115,373	\$ 0	\$ 0	\$ 115,373
State Sources	0	0	1,423,410	1,423,410
Total Revenue	<u>115,373</u>	<u>0</u>	<u>1,423,410</u>	<u>1,538,783</u>
Expenditures:				
Current:				
Supporting Services	280,592	96,609	0	377,201
Capital Outlay	7,124,102	0	2,968,783	10,092,885
Total Expenditures	<u>7,404,694</u>	<u>96,609</u>	<u>2,968,783</u>	<u>10,470,086</u>
Net Change in Fund Balance	(7,289,321)	(96,609)	(1,545,373)	(8,931,303)
Fund Balances at Beginning of Year	<u>18,299,286</u>	<u>96,609</u>	<u>1,916,375</u>	<u>20,312,270</u>
Fund Balances End of Year	<u>\$ 11,009,965</u>	<u>\$ 0</u>	<u>\$ 371,002</u>	<u>\$ 11,380,967</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 311,920,204</u>	<u>\$ 311,455,886</u>	<u>\$ 315,957,011</u>	<u>\$ 4,501,125</u>
Total Expenditures and Other Financing Uses	<u>322,226,797</u>	<u>326,236,194</u>	<u>322,535,504</u>	<u>3,700,690</u>
Net Change in Fund Balances	(10,306,593)	(14,780,308)	(6,578,493)	8,201,815
Fund Balance at Beginning of Year	8,582,183	8,582,183	8,582,183	0
Prior Year Encumbrances	<u>9,556,731</u>	<u>9,556,731</u>	<u>9,556,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,832,321</u>	<u>\$ 3,358,606</u>	<u>\$ 11,560,421</u>	<u>\$ 8,201,815</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,639,900</u>	<u>\$ 12,639,900</u>	<u>\$ 13,136,559</u>	<u>\$ 496,659</u>
Total Expenditures and Other Financing Uses	<u>15,797,965</u>	<u>15,754,913</u>	<u>15,754,913</u>	<u>0</u>
Net Change in Fund Balances	(3,158,065)	(3,115,013)	(2,618,354)	496,659
Fund Balance at Beginning of Year	<u>7,020,587</u>	<u>7,020,587</u>	<u>7,020,587</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 3,862,522</u></u>	<u><u>\$ 3,905,574</u></u>	<u><u>\$ 4,402,233</u></u>	<u><u>\$ 496,659</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 5,194,500</u>	<u>\$ 5,194,500</u>	<u>\$ 5,897,104</u>	<u>\$ 702,604</u>
Total Expenditures and Other Financing Uses	<u>8,382,964</u>	<u>8,037,845</u>	<u>8,037,845</u>	<u>0</u>
Net Change in Fund Balances	(3,188,464)	(2,843,345)	(2,140,741)	702,604
Fund Balance at Beginning of Year	4,629,529	4,629,529	4,629,529	0
Prior Year Encumbrances	<u>1,421,989</u>	<u>1,421,989</u>	<u>1,421,989</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,863,054</u>	<u>\$ 3,208,173</u>	<u>\$ 3,910,777</u>	<u>\$ 702,604</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 188,739,345</u>	<u>\$ 188,739,345</u>	<u>\$ 111,258,990</u>	<u>\$ (77,480,355)</u>
Total Expenditures and Other Financing Uses	<u>330,975,448</u>	<u>147,008,679</u>	<u>147,008,676</u>	<u>3</u>
Net Change in Fund Balances	(142,236,103)	41,730,666	(35,749,686)	(77,480,352)
Fund Balance at Beginning of Year	142,582,101	142,582,101	142,582,101	0
Prior Year Encumbrances	<u>17,020,352</u>	<u>17,020,352</u>	<u>17,020,352</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 17,366,350</u>	<u>\$ 201,333,119</u>	<u>\$ 123,852,767</u>	<u>\$ (77,480,352)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	FOOD SERVICE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 11,768,950</u>	<u>\$ 11,768,950</u>	<u>\$ 11,151,546</u>	<u>\$ (617,404)</u>
Total Expenditures and Other Financing Uses	<u>11,715,995</u>	<u>11,160,285</u>	<u>11,160,272</u>	<u>13</u>
Net Change in Fund Balances	52,955	608,665	(8,726)	(617,391)
Fund Balance at Beginning of Year	493	493	493	0
Prior Year Encumbrances	<u>8,737</u>	<u>8,737</u>	<u>8,737</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,185</u>	<u>\$ 617,895</u>	<u>\$ 504</u>	<u>\$ (617,391)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,104,370</u>	<u>\$ 1,115,870</u>	<u>\$ 281,575</u>	<u>\$ (834,295)</u>
Total Expenditures and Other Financing Uses	<u>1,114,005</u>	<u>290,547</u>	<u>290,547</u>	<u>0</u>
Net Change in Fund Balances	(9,635)	825,323	(8,972)	(834,295)
Fund Balance at Beginning of Year	9,637	9,637	9,637	0
Prior Year Encumbrances	<u>26,731</u>	<u>26,731</u>	<u>26,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,733</u>	<u>\$ 861,691</u>	<u>\$ 27,396</u>	<u>\$ (834,295)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 880,325</u>	<u>\$ 884,325</u>	<u>\$ 337,892</u>	<u>\$ (546,433)</u>
Total Expenditures and Other Financing Uses	<u>880,325</u>	<u>351,938</u>	<u>351,938</u>	<u>0</u>
Net Change in Fund Balances	0	532,387	(14,046)	(546,433)
Fund Balance at Beginning of Year	187,503	187,503	187,503	0
Prior Year Encumbrances	<u>18,049</u>	<u>18,049</u>	<u>18,049</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 205,552</u>	<u>\$ 737,939</u>	<u>\$ 191,506</u>	<u>\$ (546,433)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,851,072</u>	<u>\$ 1,943,999</u>	<u>\$ 1,789,562</u>	<u>\$ (154,437)</u>
Total Expenditures and Other Financing Uses	<u>1,833,129</u>	<u>1,845,217</u>	<u>1,845,217</u>	<u>0</u>
Net Change in Fund Balances	17,943	98,782	(55,655)	(154,437)
Fund Balance at Beginning of Year	146,559	146,559	146,559	0
Prior Year Encumbrances	<u>54,989</u>	<u>54,989</u>	<u>54,989</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 219,491</u>	<u>\$ 300,330</u>	<u>\$ 145,893</u>	<u>\$ (154,437)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,230,701</u>	<u>\$ 3,363,201</u>	<u>\$ 883,450</u>	<u>\$ (2,479,751)</u>
Total Expenditures and Other Financing Uses	<u>4,064,600</u>	<u>1,027,459</u>	<u>1,027,459</u>	<u>0</u>
Net Change in Fund Balances	(833,899)	2,335,742	(144,009)	(2,479,751)
Fund Balance at Beginning of Year	833,898	833,898	833,898	0
Prior Year Encumbrances	<u>56,492</u>	<u>56,492</u>	<u>56,492</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 56,491</u>	<u>\$ 3,226,132</u>	<u>\$ 746,381</u>	<u>\$ (2,479,751)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 6,321,442</u>	<u>\$ 6,323,617</u>	<u>\$ 3,690,558</u>	<u>\$ (2,633,059)</u>
Total Expenditures and Other Financing Uses	<u>5,823,133</u>	<u>3,470,651</u>	<u>3,470,650</u>	<u>1</u>
Net Change in Fund Balances	498,309	2,852,966	219,908	(2,633,058)
Fund Balance at Beginning of Year	16,615	16,615	16,615	0
Prior Year Encumbrances	<u>75,698</u>	<u>75,698</u>	<u>75,698</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 590,622</u>	<u>\$ 2,945,279</u>	<u>\$ 312,221</u>	<u>\$ (2,633,058)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,389,700</u>	<u>\$ 1,389,700</u>	<u>\$ 1,394,644</u>	<u>\$ 4,944</u>
Total Expenditures and Other Financing Uses	<u>1,202,892</u>	<u>29,437</u>	<u>29,437</u>	<u>0</u>
Net Change in Fund Balances	186,808	1,360,263	1,365,207	4,944
Fund Balance at Beginning of Year	1,946,416	1,946,416	1,946,416	0
Prior Year Encumbrances	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,135,224</u>	<u>\$ 3,308,679</u>	<u>\$ 3,313,623</u>	<u>\$ 4,944</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

ADMINISTRATIVELY MANAGED STUDENT ACTIVITY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,861,637</u>	<u>\$ 1,882,262</u>	<u>\$ 828,209</u>	<u>\$ (1,054,053)</u>
Total Expenditures and Other Financing Uses	<u>2,203,097</u>	<u>868,933</u>	<u>868,933</u>	<u>0</u>
Net Change in Fund Balances	(341,460)	1,013,329	(40,724)	(1,054,053)
Fund Balance at Beginning of Year	341,457	341,457	341,457	0
Prior Year Encumbrances	<u>35,143</u>	<u>35,143</u>	<u>35,143</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,140</u>	<u>\$ 1,389,929</u>	<u>\$ 335,876</u>	<u>\$ (1,054,053)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

AUXILIARY SERVICES FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 4,526,761</u>	<u>\$ 4,800,157</u>	<u>\$ 4,863,773</u>	<u>\$ 63,616</u>
Total Expenditures and Other Financing Uses	<u>5,144,392</u>	<u>5,776,164</u>	<u>5,776,164</u>	<u>0</u>
Net Change in Fund Balances	(617,631)	(976,007)	(912,391)	63,616
Fund Balance at Beginning of Year	716,555	716,555	716,555	0
Prior Year Encumbrances	<u>788,805</u>	<u>788,805</u>	<u>788,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 887,729</u>	<u>\$ 529,353</u>	<u>\$ 592,969</u>	<u>\$ 63,616</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 18,000</u>	<u>\$ 20,763</u>	<u>\$ 20,764</u>	<u>\$ 1</u>
Total Expenditures and Other Financing Uses	<u>19,271</u>	<u>22,034</u>	<u>22,034</u>	<u>0</u>
Net Change in Fund Balances	(1,271)	(1,271)	(1,270)	1
Fund Balance at Beginning of Year	<u>1,270</u>	<u>1,270</u>	<u>1,270</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 0</u>	<u>\$ 1</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>476,604</u>	<u>477,822</u>	<u>477,824</u>	<u>2</u>
Total Expenditures and Other Financing Uses	<u>476,604</u>	<u>477,821</u>	<u>477,821</u>	<u>0</u>
Net Change in Fund Balances	0	1	3	2
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 2</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 67,500</u>	<u>\$ 67,500</u>	<u>\$ 65,633</u>	<u>\$ (1,867)</u>
Total Expenditures and Other Financing Uses	<u>67,501</u>	<u>114,182</u>	<u>114,182</u>	<u>0</u>
Net Change in Fund Balances	(1)	(46,682)	(48,549)	(1,867)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>48,551</u>	<u>48,551</u>	<u>48,551</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,550</u>	<u>\$ 1,869</u>	<u>\$ 2</u>	<u>\$ (1,867)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

MANAGEMENT INFORMATION SYSTEM FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 104,331</u>	<u>\$ 129,984</u>	<u>\$ 108,020</u>	<u>\$ (21,964)</u>
Total Expenditures and Other Financing Uses	<u>181,583</u>	<u>217,956</u>	<u>217,955</u>	<u>1</u>
Net Change in Fund Balances	(77,252)	(87,972)	(109,935)	(21,963)
Fund Balance at Beginning of Year	77,253	77,253	77,253	0
Prior Year Encumbrances	<u>62,104</u>	<u>62,104</u>	<u>62,104</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,105</u>	<u>\$ 51,385</u>	<u>\$ 29,422</u>	<u>\$ (21,963)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 216,866</u>	<u>\$ 216,866</u>	<u>\$ 227,546</u>	<u>\$ 10,680</u>
Total Expenditures and Other Financing Uses	<u>224,168</u>	<u>208,456</u>	<u>208,456</u>	<u>0</u>
Net Change in Fund Balances	(7,302)	8,410	19,090	10,680
Fund Balance at Beginning of Year	<u>7,306</u>	<u>7,306</u>	<u>7,306</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 4</u></u>	<u><u>\$ 15,716</u></u>	<u><u>\$ 26,396</u></u>	<u><u>\$ 10,680</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 23,726,068</u>	<u>\$ 24,952,733</u>	<u>\$ 23,482,187</u>	<u>\$ (1,470,546)</u>
Total Expenditures and Other Financing Uses	<u>23,726,068</u>	<u>23,528,178</u>	<u>23,528,164</u>	<u>14</u>
Net Change in Fund Balances	0	1,424,555	(45,977)	(1,470,532)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>45,979</u>	<u>45,979</u>	<u>45,979</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 45,979</u>	<u>\$ 1,470,534</u>	<u>\$ 2</u>	<u>\$ (1,470,532)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

DATA COMMUNICATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 186,000</u>	<u>\$ 186,000</u>	<u>\$ 186,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>186,000</u>	<u>186,000</u>	<u>186,000</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 11,381</u>	<u>\$ 11,381</u>	<u>\$ 11,381</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>17,961</u>	<u>16,299</u>	<u>16,299</u>	<u>0</u>
Net Change in Fund Balances	(6,580)	(4,918)	(4,918)	0
Fund Balance at Beginning of Year	<u>6,580</u>	<u>6,580</u>	<u>6,580</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 1,662</u>	<u>\$ 1,662</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>42,651</u>	<u>27,396</u>	<u>21,326</u>	<u>6,070</u>
Net Change in Fund Balances	(42,651)	(27,396)	(21,326)	6,070
Fund Balance at Beginning of Year	<u>21,326</u>	<u>21,326</u>	<u>21,326</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (21,325)</u></u>	<u><u>\$ (6,070)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,070</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 266,500</u>	<u>\$ 292,500</u>	<u>\$ 287,129</u>	<u>\$ (5,371)</u>
Total Expenditures and Other Financing Uses	<u>305,051</u>	<u>376,898</u>	<u>376,898</u>	<u>0</u>
Net Change in Fund Balances	(38,551)	(84,398)	(89,769)	(5,371)
Fund Balance at Beginning of Year	38,549	38,549	38,549	0
Prior Year Encumbrances	<u>132,681</u>	<u>132,681</u>	<u>132,681</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 132,679</u>	<u>\$ 86,832</u>	<u>\$ 81,461</u>	<u>\$ (5,371)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,420,545</u>	<u>\$ 1,421,254</u>	<u>\$ 1,407,246</u>	<u>\$ (14,008)</u>
Total Expenditures and Other Financing Uses	<u>1,420,544</u>	<u>1,407,246</u>	<u>1,407,244</u>	<u>2</u>
Net Change in Fund Balances	1	14,008	2	(14,006)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 14,008</u>	<u>\$ 2</u>	<u>\$ (14,006)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

VOCATIONAL EDUCATION ENHANCEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 100,711</u>	<u>\$ 119,711</u>	<u>\$ 117,631</u>	<u>\$ (2,080)</u>
Total Expenditures and Other Financing Uses	<u>101,515</u>	<u>140,561</u>	<u>140,561</u>	<u>0</u>
Net Change in Fund Balances	(804)	(20,850)	(22,930)	(2,080)
Fund Balance at Beginning of Year	1,860	1,860	1,860	0
Prior Year Encumbrances	<u>24,915</u>	<u>24,915</u>	<u>24,915</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,971</u>	<u>\$ 5,925</u>	<u>\$ 3,845</u>	<u>\$ (2,080)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 483,556</u>	<u>\$ 483,556</u>	<u>\$ 436,651</u>	<u>\$ (46,905)</u>
Total Expenditures and Other Financing Uses	<u>501,310</u>	<u>459,945</u>	<u>459,945</u>	<u>0</u>
Net Change in Fund Balances	(17,754)	23,611	(23,294)	(46,905)
Fund Balance at Beginning of Year	17,756	17,756	17,756	0
Prior Year Encumbrances	<u>9,654</u>	<u>9,654</u>	<u>9,654</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,656</u>	<u>\$ 51,021</u>	<u>\$ 4,116</u>	<u>\$ (46,905)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,461,945</u>	<u>\$ 1,566,945</u>	<u>\$ 1,221,199</u>	<u>\$ (345,746)</u>
Total Expenditures and Other Financing Uses	<u>1,160,670</u>	<u>1,705,473</u>	<u>1,711,542</u>	<u>(6,069)</u>
Net Change in Fund Balances	301,275	(138,528)	(490,343)	(351,815)
Fund Balance at Beginning of Year	79,428	79,428	79,428	0
Prior Year Encumbrances	<u>470,594</u>	<u>470,594</u>	<u>470,594</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 851,297</u>	<u>\$ 411,494</u>	<u>\$ 59,679</u>	<u>\$ (351,815)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 680,827</u>	<u>\$ 680,827</u>	<u>\$ 633,636</u>	<u>\$ (47,191)</u>
Total Expenditures and Other Financing Uses	<u>692,609</u>	<u>645,577</u>	<u>645,577</u>	<u>0</u>
Net Change in Fund Balances	(11,782)	35,250	(11,941)	(47,191)
Fund Balance at Beginning of Year	11,782	11,782	11,782	0
Prior Year Encumbrances	<u>161</u>	<u>161</u>	<u>161</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 161</u>	<u>\$ 47,193</u>	<u>\$ 2</u>	<u>\$ (47,191)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 23,438</u>	<u>\$ 23,438</u>	<u>\$ 22,667</u>	<u>\$ (771)</u>
Total Expenditures and Other Financing Uses	<u>27,029</u>	<u>35,851</u>	<u>35,851</u>	<u>0</u>
Net Change in Fund Balances	(3,591)	(12,413)	(13,184)	(771)
Fund Balance at Beginning of Year	3,592	3,592	3,592	0
Prior Year Encumbrances	<u>11,799</u>	<u>11,799</u>	<u>11,799</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,800</u>	<u>\$ 2,978</u>	<u>\$ 2,207</u>	<u>\$ (771)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 10,310,585</u>	<u>\$ 10,310,585</u>	<u>\$ 8,211,685</u>	<u>\$ (2,098,900)</u>
Total Expenditures and Other Financing Uses	<u>9,957,644</u>	<u>7,776,844</u>	<u>7,776,843</u>	<u>1</u>
Net Change in Fund Balances	352,941	2,533,741	434,842	(2,098,899)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>122,343</u>	<u>122,343</u>	<u>122,343</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 475,284</u>	<u>\$ 2,656,084</u>	<u>\$ 557,185</u>	<u>\$ (2,098,899)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,726,356</u>	<u>\$ 2,067,230</u>	<u>\$ 1,664,970</u>	<u>\$ (402,260)</u>
Total Expenditures and Other Financing Uses	<u>1,316,438</u>	<u>2,053,275</u>	<u>2,053,275</u>	<u>0</u>
Net Change in Fund Balances	409,918	13,955	(388,305)	(402,260)
Fund Balance at Beginning of Year	3	3	3	0
Prior Year Encumbrances	<u>395,966</u>	<u>395,966</u>	<u>395,966</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 805,887</u>	<u>\$ 409,924</u>	<u>\$ 7,664</u>	<u>\$ (402,260)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 324,926</u>	<u>\$ 324,926</u>	<u>\$ 134,668</u>	<u>\$ (190,258)</u>
Total Expenditures and Other Financing Uses	<u>320,975</u>	<u>162,836</u>	<u>162,836</u>	<u>0</u>
Net Change in Fund Balances	3,951	162,090	(28,168)	(190,258)
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	<u>29,200</u>	<u>29,200</u>	<u>29,200</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 33,152</u>	<u>\$ 191,291</u>	<u>\$ 1,033</u>	<u>\$ (190,258)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	CHAPTER I FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 25,585,251</u>	<u>\$ 25,788,670</u>	<u>\$ 18,521,802</u>	<u>\$ (7,266,868)</u>
Total Expenditures and Other Financing Uses	<u>26,925,950</u>	<u>18,856,594</u>	<u>18,856,594</u>	<u>0</u>
Net Change in Fund Balances	(1,340,699)	6,932,076	(334,792)	(7,266,868)
Fund Balance at Beginning of Year	1,372,827	1,372,827	1,372,827	0
Prior Year Encumbrances	<u>615,421</u>	<u>615,421</u>	<u>615,421</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 647,549</u>	<u>\$ 8,920,324</u>	<u>\$ 1,653,456</u>	<u>\$ (7,266,868)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	CHAPTER II FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 739,055</u>	<u>\$ 738,878</u>	<u>\$ 559,170</u>	<u>\$ (179,708)</u>
Total Expenditures and Other Financing Uses	<u>774,021</u>	<u>594,916</u>	<u>594,914</u>	<u>2</u>
Net Change in Fund Balances	(34,966)	143,962	(35,744)	(179,706)
Fund Balance at Beginning of Year	34,965	34,965	34,965	0
Prior Year Encumbrances	<u>52,282</u>	<u>52,282</u>	<u>52,282</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,281</u>	<u>\$ 231,209</u>	<u>\$ 51,503</u>	<u>\$ (179,706)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 599,007</u>	<u>\$ 599,007</u>	<u>\$ 401,923</u>	<u>\$ (197,084)</u>
Total Expenditures and Other Financing Uses	<u>613,979</u>	<u>421,090</u>	<u>421,090</u>	<u>0</u>
Net Change in Fund Balances	(14,972)	177,917	(19,167)	(197,084)
Fund Balance at Beginning of Year	14,972	14,972	14,972	0
Prior Year Encumbrances	<u>4,197</u>	<u>4,197</u>	<u>4,197</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,197</u>	<u>\$ 197,086</u>	<u>\$ 2</u>	<u>\$ (197,084)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

PRESCHOOL GRANTS FOR THE HANDICAPPED FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 293,619</u>	<u>\$ 311,625</u>	<u>\$ 289,489</u>	<u>\$ (22,136)</u>
Total Expenditures and Other Financing Uses	<u>291,998</u>	<u>285,253</u>	<u>285,253</u>	<u>0</u>
Net Change in Fund Balances	1,621	26,372	4,236	(22,136)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>154</u>	<u>154</u>	<u>154</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,775</u>	<u>\$ 26,526</u>	<u>\$ 4,390</u>	<u>\$ (22,136)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>420,607</u>	<u>420,607</u>	<u>420,607</u>	<u>0</u>
Net Change in Fund Balances	(420,607)	(420,607)	(420,607)	0
Fund Balance at Beginning of Year	219,925	219,925	219,925	0
Prior Year Encumbrances	<u>200,682</u>	<u>200,682</u>	<u>200,682</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 11,656,929</u>	<u>\$ 11,661,658</u>	<u>\$ 4,208,968</u>	<u>\$ (7,452,690)</u>
Total Expenditures and Other Financing Uses	<u>12,055,176</u>	<u>4,844,723</u>	<u>4,844,722</u>	<u>1</u>
Net Change in Fund Balances	(398,247)	6,816,935	(635,754)	(7,452,689)
Fund Balance at Beginning of Year	398,246	398,246	398,246	0
Prior Year Encumbrances	<u>237,510</u>	<u>237,510</u>	<u>237,510</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 237,509</u>	<u>\$ 7,452,691</u>	<u>\$ 2</u>	<u>\$ (7,452,689)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 7,668,371</u>	<u>\$ 7,667,731</u>	<u>\$ 5,505,586</u>	<u>\$ (2,162,145)</u>
Total Expenditures and Other Financing Uses	<u>7,232,908</u>	<u>5,497,387</u>	<u>5,497,387</u>	<u>0</u>
Net Change in Fund Balances	435,463	2,170,344	8,199	(2,162,145)
Fund Balance at Beginning of Year	75,074	75,074	75,074	0
Prior Year Encumbrances	<u>228,851</u>	<u>228,851</u>	<u>228,851</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 739,388</u>	<u>\$ 2,474,269</u>	<u>\$ 312,124</u>	<u>\$ (2,162,145)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 208,013</u>	<u>\$ 78,013</u>
Total Expenditures and Other Financing Uses	<u>17,800,707</u>	<u>10,800,789</u>	<u>10,800,789</u>	<u>0</u>
Net Change in Fund Balances	(17,670,707)	(10,670,789)	(10,592,776)	78,013
Fund Balance at Beginning of Year	17,910,879	17,910,879	17,910,879	0
Prior Year Encumbrances	<u>3,114,416</u>	<u>3,114,416</u>	<u>3,114,416</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,354,588</u>	<u>\$ 10,354,506</u>	<u>\$ 10,432,519</u>	<u>\$ 78,013</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005***

	SCHOOLNET FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (200)</u>	<u>\$ (200)</u>
Total Expenditures and Other Financing Uses	<u>24,403</u>	<u>584,615</u>	<u>584,615</u>	<u>0</u>
Net Change in Fund Balances	(24,403)	(584,615)	(584,815)	(200)
Fund Balance at Beginning of Year	24,603	24,603	24,603	0
Prior Year Encumbrances	<u>560,212</u>	<u>560,212</u>	<u>560,212</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 560,412</u>	<u>\$ 200</u>	<u>\$ 0</u>	<u>\$ (200)</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 1,603,022</u>	<u>\$ 1,603,023</u>	<u>\$ 1</u>
Total Expenditures and Other Financing Uses	<u>1,431,982</u>	<u>3,693,689</u>	<u>3,693,689</u>	<u>0</u>
Net Change in Fund Balances	(1,431,982)	(2,090,667)	(2,090,666)	1
Fund Balance at Beginning of Year	1,781,313	1,781,313	1,781,313	0
Prior Year Encumbrances	<u>309,354</u>	<u>309,354</u>	<u>309,354</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 658,685</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1</u>

TOLEDO CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2005***

	ENDOWMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 89,400</u>	<u>\$ 89,400</u>	<u>\$ 8,901</u>	<u>\$ (80,499)</u>
Total Expenditures and Other Financing Uses	<u>89,400</u>	<u>24,480</u>	<u>24,480</u>	<u>0</u>
Net Change in Fund Balances	0	64,920	(15,579)	(80,499)
Fund Balance at Beginning of Year	829,342	829,342	829,342	0
Prior Year Encumbrances	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 830,467</u>	<u>\$ 895,387</u>	<u>\$ 814,888</u>	<u>\$ (80,499)</u>

Internal Service Funds

Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the District on a cost-reimbursement basis.

Rotary Fund

To account for operations that provide goods and services provided by the District.

Intra-District Services Fund

To account for operations that provide goods and/or services to other areas within the District.

Employee Benefit Insurance Fund

To account for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision or any other similar employee benefit.

Workers' Compensation Fund

To account for receipts and expenditures with regard to Workers' Compensation Self Insurance.

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement of Net Assets
Internal Service Funds
June 30, 2005**

	Rotary	Intra-District Services	Employee Benefit Insurance	Workers' Compensation	Total
Assets:					
Cash and Cash Equivalents	\$ 3,225	\$ 30,259	\$ 12,953,672	\$ 4,236,052	\$ 17,223,208
Accounts	0	9,367	49,349	0	58,716
Intergovernmental	0	504	0	0	504
Interest	0	0	92,502	39,921	132,423
Materials and Supplies Inventory	0	578,567	0	0	578,567
Total Assets	<u>3,225</u>	<u>618,697</u>	<u>13,095,523</u>	<u>4,275,973</u>	<u>17,993,418</u>
Liabilities:					
Accounts Payable	0	29,836	821,948	5,400	857,184
Accrued Wages and Benefits	0	0	7,486,000	0	7,486,000
Intergovernmental Payable	0	0	0	892,030	892,030
Interfund Loans Payable	0	36,273	0	0	36,273
Total Liabilities	<u>0</u>	<u>66,109</u>	<u>8,307,948</u>	<u>897,430</u>	<u>9,271,487</u>
Net Assets:					
Unrestricted	3,225	552,588	4,787,575	3,378,543	8,721,931
Total Net Assets	<u>\$ 3,225</u>	<u>\$ 552,588</u>	<u>\$ 4,787,575</u>	<u>\$ 3,378,543</u>	<u>\$ 8,721,931</u>

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2005**

	<u>Rotary</u>	<u>Intra-District Services</u>	<u>Employee Benefit Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:					
Interfund Charges	\$ 22,350	686,330	47,450,865	0	48,159,545
Total Operating Revenues	<u>22,350</u>	<u>686,330</u>	<u>47,450,865</u>	<u>0</u>	<u>48,159,545</u>
Operating Expenses:					
Personal Services	0	0	0	1,067,948	1,067,948
Purchased Services	0	39,357	39,902,315	45,829	39,987,501
Supplies and Materials	0	602,664	0	0	602,664
Miscellaneous	20,030	0	0	0	20,030
Total Operating Expenses	<u>20,030</u>	<u>642,021</u>	<u>39,902,315</u>	<u>1,113,777</u>	<u>41,678,143</u>
Operating Income (Loss)	2,320	44,309	7,548,550	(1,113,777)	6,481,402
Nonoperating Revenue:					
Investment Earnings	0	0	315,129	138,095	453,224
Total Nonoperating Revenues	<u>0</u>	<u>0</u>	<u>315,129</u>	<u>138,095</u>	<u>453,224</u>
Change in Net Assets	2,320	44,309	7,863,679	(975,682)	6,934,626
Net Assets Beginning of Year	905	508,279	(3,076,104)	4,354,225	1,787,305
Net Assets End of Year	<u>\$ 3,225</u>	<u>\$ 552,588</u>	<u>\$ 4,787,575</u>	<u>\$ 3,378,543</u>	<u>\$ 8,721,931</u>

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005***

	Rotary	Intra-District Services	Employee Benefit Insurance	Workers' Compensation	Total
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Interfund Charges	22,350	693,791	47,835,663	0	\$48,551,804
Cash Payments to Employees for Services and Benefits	(20,030)	(855,110)	(43,013,073)	(1,556,679)	(45,444,892)
Net Cash Provided (Used) by Operating Activities	<u>2,320</u>	<u>(161,319)</u>	<u>4,822,590</u>	<u>(1,556,679)</u>	<u>3,106,912</u>
<u>Cash Flows from Noncapital Financing Activities:</u>					
Advances In from Other Funds	0	36,273	0	0	36,273
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>36,273</u>	<u>0</u>	<u>0</u>	<u>36,273</u>
<u>Cash Flows from Investing Activities:</u>					
Receipts of Interest	0	0	233,142	121,050	354,192
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>233,142</u>	<u>121,050</u>	<u>354,192</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,320	(125,046)	5,055,732	(1,435,629)	3,497,377
Cash and Cash Equivalents at Beginning of Year	905	155,305	7,897,940	5,671,681	13,725,831
Cash and Cash Equivalents at End of Year	<u>\$3,225</u>	<u>\$30,259</u>	<u>\$12,953,672</u>	<u>\$4,236,052</u>	<u>\$17,223,208</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	\$2,320	\$44,309	\$7,548,550	(\$1,113,777)	\$6,481,402
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	0	4,019	188,671	0	192,690
Decrease in Intergovernmental Receivables	0	3,258	0	0	3,258
Increase in Inventory	0	(123,163)	0	0	(123,163)
Increase (Decrease) in Accounts Payable	0	(89,742)	753,369	(592)	663,035
Decrease in Accrued Wages and Benefits	0	0	(3,668,000)	0	(3,668,000)
Decrease in Intergovernmental Payables	0	0	0	(442,310)	(442,310)
Total Adjustments	<u>0</u>	<u>(205,628)</u>	<u>(2,725,960)</u>	<u>(442,902)</u>	<u>(3,374,490)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$2,320</u>	<u>(\$161,319)</u>	<u>\$4,822,590</u>	<u>(\$1,556,679)</u>	<u>\$3,106,912</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Fund

Pell Grant Fund

A fund to account for federal grant monies paid directly to the student or to the student's account for tuition in Toledo Public School's Adult Education programs.

Student Managed Activity Fund

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. The fund typically includes those student activities that consist of a student body, student president, student treasurer, and faculty advisor.

TOLEDO CITY SCHOOL DISTRICT

**Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005**

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>Pell Grant Fund</u>				
Assets:				
Accounts Receivable	\$44,246	\$1,860	(\$44,246)	\$1,860
Total Assets	<u>\$44,246</u>	<u>\$1,860</u>	<u>(\$44,246)</u>	<u>\$1,860</u>
Liabilities:				
Due to Students	\$44,246	\$1,860	(\$44,246)	\$1,860
Total Liabilities	<u>\$44,246</u>	<u>\$1,860</u>	<u>(\$44,246)</u>	<u>\$1,860</u>
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$495,376	\$634,412	(\$618,601)	\$511,187
Accounts Receivable	1,816	7,824	(1,816)	7,824
Interest Receivable	1,668	4,939	(1,668)	4,939
Total Assets	<u>\$498,860</u>	<u>\$647,175</u>	<u>(\$622,085)</u>	<u>\$523,950</u>
Liabilities:				
Accounts Payable	\$85,548	\$72,795	(\$85,548)	\$72,795
Intergovernmental Payable	124	2,610	(124)	2,610
Interfund Loan Payable	3,400	0	(3,400)	0
Due to Students	409,788	448,545	(409,788)	448,545
Total Liabilities	<u>\$498,860</u>	<u>\$523,950</u>	<u>(\$498,860)</u>	<u>\$523,950</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$495,376	\$634,412	(\$618,601)	\$511,187
Accounts Receivable	46,062	9,684	(46,062)	9,684
Interest Receivable	1,668	4,939	(1,668)	4,939
Total Assets	<u>\$543,106</u>	<u>\$649,035</u>	<u>(\$666,331)</u>	<u>\$525,810</u>
Liabilities:				
Accounts Payable	\$85,548	\$72,795	(\$85,548)	\$72,795
Intergovernmental Payable	124	2,610	(124)	2,610
Interfund Loan Payable	3,400	0	(3,400)	0
Due to Students	454,034	450,405	(454,034)	450,405
Total Liabilities	<u>\$543,106</u>	<u>\$525,810</u>	<u>(\$543,106)</u>	<u>\$525,810</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

TOLEDO CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2005***

<u>Capital Assets</u>	
Land	\$13,752,510
Construction in Progress	45,957,834
Land Improvements	9,337,804
Buildings	64,868,195
Building Improvements	43,564,899
Machinery and Equipment	7,881,489
Vehicles	9,454,882
Total Capital Assets	<u><u>\$194,817,613</u></u>

Investment in Capital Assets from:

General Fund	\$14,678,659
Special Revenue Funds	22,201,431
Capital Project Funds	157,884,668
Trust Funds	52,855
Total Capital Assets	<u><u>\$194,817,613</u></u>

TOLEDO CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2005***

	<u>Instruction</u>	<u>Administration</u>	<u>Operation and Maintenance of Plant Services</u>	<u>Trasnportation Services</u>
Land	\$13,240,653	\$111,367	\$264,653	\$60,122
Construction in Progress	45,957,833	0	0	0
Land Improvements	8,160,624	454,121	147,300	524,300
Buildings	61,583,455	1,028,140	1,375,380	34,362
Building Improvements	36,865,067	3,199,910	127,245	172,715
Machinery and Equipment	1,080,631	3,705,058	1,731,391	42,700
Vehicles	372,411	0	1,530,343	7,552,128
Total Cost	<u>\$167,260,674</u>	<u>\$8,498,596</u>	<u>\$5,176,312</u>	<u>\$8,386,327</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Non- Instructional</u>	<u>Extracurricular Activities</u>	<u>Total Capital Assets</u>
\$75,716	\$0	\$13,752,511
0	0	45,957,833
51,459	0	9,337,804
846,858	0	64,868,195
3,199,962	0	43,564,899
1,316,505	5,204	7,881,489
0	0	9,454,882
<u>\$5,490,500</u>	<u>\$5,204</u>	<u>\$194,817,613</u>

TOLEDO CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended June 30, 2005***

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Instruction	\$130,015,456	\$37,693,360	\$448,142	\$167,260,674
Administration	7,142,373	1,356,223	0	8,498,596
Operation and Maintenance of Plant Services	4,843,332	332,980	0	5,176,312
Transportation Services	8,386,327	0	0	8,386,327
Non-Instructional Services	5,490,500	0	0	5,490,500
Extracurricular Activities	0	5,204	0	5,204
Total	<u>\$155,877,988</u>	<u>\$39,387,767</u>	<u>\$448,142</u>	<u>\$194,817,613</u>

STATISTICAL SECTION



STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE DISTRICT.*

TOLEDO CITY SCHOOL DISTRICT, OHIO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Expenditures:					
Instruction	\$115,363,855	\$119,995,630	\$125,443,648	\$141,037,839	\$138,693,350
Supporting Services	70,297,465	75,157,736	81,162,642	89,923,159	93,480,267
Non-Instructional Services	4,511,480	7,615,117	4,399,500	7,657,903	8,661,983
Extracurricular Activities	2,472,384	2,475,374	2,486,785	2,516,050	2,566,882
Capital Outlay	288,717	85,368	281,131	298,043	330,972
Debt Service	104,931	227,428	407,563	450,977	812,973
Total Expenditures	<u>\$193,038,832</u>	<u>\$205,556,653</u>	<u>\$214,181,269</u>	<u>\$241,883,971</u>	<u>\$244,546,427</u>

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenditures:					
Instruction	\$140,789,559	\$193,056,559	\$218,665,625	\$224,080,604	\$229,062,862
Supporting Services	90,471,629	129,346,979	139,042,662	136,780,343	144,862,597
Non-Instructional Services	6,743,647	25,028,179	26,550,266	27,486,263	27,795,462
Extracurricular Activities	2,321,515	4,926,855	5,237,784	5,149,254	5,166,323
Capital Outlay	97,074	5,551,521	9,126,013	37,290,845	77,944,609
Debt Service	596,861	148,765	512,324	14,162,497	15,590,779
Total Expenditures	<u>\$241,020,285</u>	<u>\$358,058,858</u>	<u>\$399,134,674</u>	<u>\$444,949,806</u>	<u>\$500,422,632</u>

(1) 1996 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2005.

Source: Toledo City School District records

TOLEDO CITY SCHOOL DISTRICT, OHIO

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

	1996	1997	1998	1999	2000
Revenues:					
Taxes	\$85,599,187	\$86,601,429	\$87,157,230	\$90,238,184	\$89,412,273
Tuition	1,275,151	1,490,656	1,113,495	1,403,972	1,109,732
Transportation Fees	195,991	240,554	196,481	188,280	183,229
Food Services	0	0	0	0	0
Earnings on Investments	1,696,619	2,011,130	2,100,461	2,309,758	2,497,587
Extracurricular Activities	0	0	0	0	1,083
Class Materials & Fees	137,521	221,400	233,556	224,272	259,694
Intermediate Sources	0	0	0	0	0
Intergovernmental - State	103,645,981	108,965,840	120,979,796	140,139,521	148,301,871
Intergovernmental - Federal	1,779,663	887,251	1,943,738	1,167,623	844,330
All Other Revenue	2,472,435	2,072,493	3,919,009	2,357,053	8,986,686
Total Revenue	<u>\$196,802,548</u>	<u>\$202,490,753</u>	<u>\$217,643,766</u>	<u>\$238,028,663</u>	<u>\$251,596,485</u>

	2001	2002	2003	2004	2005
Revenues:					
Taxes	\$95,233,099	\$112,167,580	\$111,319,491	\$116,690,772	\$119,358,742
Tuition	785,970	1,566,401	2,680,188	5,197,293	3,266,058
Transportation Fees	298,867	349,851	440,793	469,959	502,116
Food Services	0	2,335,035	2,438,348	2,355,774	2,061,867
Earnings on Investments	3,077,894	2,334,619	2,049,381	2,078,065	5,955,187
Extracurricular Activities	60	1,600,512	1,577,542	1,546,319	1,592,106
Class Materials & Fees	215,101	461,879	454,013	400,782	412,727
Intermediate Sources	0	79,106	52,690	35,239	20,932
Intergovernmental - State	157,769,579	200,931,402	218,580,096	243,734,658	282,962,791
Intergovernmental - Federal	754,365	37,922,340	34,184,344	44,480,898	48,193,022
All Other Revenue	2,282,503	2,559,583	3,340,754	3,479,842	10,673,605
Total Revenue	<u>\$260,417,438</u>	<u>\$362,308,308</u>	<u>\$377,117,640</u>	<u>\$420,469,601</u>	<u>\$474,999,153</u>

(1) 1996 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2005.

Source: Toledo City School District records

TOLEDO CITY SCHOOL DISTRICT, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN COLLECTION (CALENDAR) YEARS

Year	Total Current Taxes Levied	Taxes Collected	Percent of Levy Collected	Delinquencies Collected	Total Taxes Collected	Percent of Total Collections to Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Levy
1996	\$103,048,502	\$99,082,894	96.15%	\$4,585,289	\$103,668,183	100.60%	\$12,874,534	12.49%
1997	102,701,500	98,205,962	95.62%	3,875,476	102,081,438	99.40%	13,406,424	13.05%
1998	103,467,500	100,599,670	97.23%	4,741,811	105,341,481	101.81%	13,406,424	12.96%
1999	103,012,500	103,607,334	100.58%	4,080,726	107,688,060	104.54%	11,908,071	11.56%
2000	103,452,500	99,726,726	96.40%	3,893,076	103,619,802	100.16%	10,835,239	10.47%
2001	120,443,000	116,837,921	97.01%	4,688,232	121,526,153	100.90%	14,172,596	11.77%
2002	119,636,000	115,838,754	96.83%	5,598,419	121,437,173	101.51%	15,570,267	13.01%
2003	129,385,000	122,349,118	94.56%	6,777,937	129,127,055	99.80%	16,946,065	13.10%
2004	127,874,000	125,522,304	98.16%	6,563,407	132,085,711	103.29%	19,187,136	15.00%
2005	126,939,000	124,221,665	97.86%	6,182,907	130,404,572	102.73%	21,978,904	17.31%

Source: Lucas County Auditor - Data is maintained by the county auditor on a calendar year basis.

TOLEDO CITY SCHOOL DISTRICT, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN COLLECTION (CALENDAR) YEARS (AMOUNTS IN THOUSANDS)

Year	Real Property		Personal Property		Public Utility		Total		Ratio (%)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$1,751,799	\$5,005,140	\$329,831	\$1,319,324	\$265,569	\$983,589	\$2,347,199	\$7,308,053	32.12%
1997	1,744,976	4,985,646	338,850	1,355,400	243,656	974,624	2,327,482	7,315,670	31.82%
1998	1,860,408	5,315,451	347,725	1,390,900	245,271	981,084	2,453,404	7,687,435	31.91%
1999	1,861,928	5,319,794	353,093	1,412,372	237,960	951,840	2,452,981	7,684,006	31.92%
2000	1,875,031	5,357,231	367,785	1,471,140	223,891	895,564	2,466,707	7,723,935	31.94%
2001	2,320,805	6,630,871	366,623	1,466,492	225,416	901,664	2,912,844	8,999,027	32.37%
2002	2,305,922	6,588,349	373,954	1,558,142	166,114	664,456	2,845,990	8,810,947	32.30%
2003	2,314,937	6,614,106	345,046	1,437,692	177,375	709,500	2,837,358	8,761,297	32.39%
2004	2,658,992	7,597,120	322,160	1,342,333	152,422	609,688	3,133,574	9,549,141	32.82%
2005	2,693,299	7,695,140	295,642	1,231,842	144,678	578,712	3,133,619	9,505,694	32.97%

Source: Lucas County Auditor

TOLEDO CITY SCHOOL DISTRICT, OHIO

PROPERTY TAX RATES - DIRECT & OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION) LAST TEN COLLECTION (CALENDAR) YEARS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Toledo City										
School District	57.80	57.80	57.80	57.80	57.80	63.00	63.00	68.00	67.60	67.35
Townships:										
Harding	3.30	3.30	3.30	3.30	3.30	3.30	4.30	3.60	3.30	3.00
Spencer	4.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Municipalities:										
City of Toledo	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Lucas County	17.30	17.35	17.35	17.35	17.35	17.80	17.45	17.45	18.30	18.00

Source: Lucas County Auditor

TOLEDO CITY SCHOOL DISTRICT, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
AMOUNTS IN THOUSANDS
JUNE 30, 2005**

Total Assessed Property Value		\$3,133,619
Voted and Unvoted Debt Limit - 9% of Assessed Valuation		282,026
Total Unvoted Debt Outstanding	141	
Less: Exempted Debt:		
Abestos removal notes- E.P.A.	<u>141</u>	
Net Subject to 9% Limit		<u>0</u>
Total Legal Voted and Unvoted Debt Margin		<u><u>\$282,026</u></u>

Source: Toledo City School District records

TOLEDO CITY SCHOOL DISTRICT, OHIO

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
(AMOUNTS IN THOUSANDS)
LAST TEN COLLECTION YEARS**

Collection Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available (3)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	325,767	\$2,347,199	\$4,440	\$90	\$4,350	0.19%	\$13
1997	325,767	2,327,482	3,640	86	3,554	0.15%	11
1998	325,767	2,453,404	2,795	86	2,709	0.11%	8
1999	325,767	2,452,981	1,910	87	1,823	0.07%	6
2000	325,767	2,466,707	980	85	895	0.04%	3
2001	313,619	2,912,843	0	94	0	0.00%	0
2002	313,619	2,845,990	0	95	0	0.00%	0
2003	313,619	2,837,358	72,500	6,929	65,571	2.31%	209
2004	313,619	3,133,574	167,800	7,814	159,986	5.11%	510
2005	313,619	3,133,619	159,600	5,061	154,539	4.93%	493

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Source: (1) U.S. Bureau of Census
(2) Lucas County Auditor
(3) Toledo City School Records

TOLEDO CITY SCHOOL DISTRICT, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Expenditures (2)	Ratio of Debt Service to General Expenditures
1996	\$760,000	\$270,347	\$1,030,347	\$193,038,832	0.39%
1997	800,000	230,448	1,030,448	205,556,653	0.39%
1998	845,000	188,447	1,033,447	214,181,269	0.39%
1999	885,000	144,085	1,029,085	241,883,971	0.37%
2000	930,000	49,918	979,918	244,546,427	0.38%
2001	980,000	51,940	1,031,940	241,020,285	0.41%
2002	0	0	0	358,058,858	0.00%
2003	0	0	0	399,134,674	0.00%
2004	8,300,000	4,919,033	13,219,033	444,949,806	1.87%
2005	8,200,000	7,297,779	15,497,779	500,422,632	1.64%

Source: Toledo City School District Records

(1) Includes all general obligation bond debt service.

(2) 1996 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2005.

TOLEDO CITY SCHOOL DISTRICT, OHIO

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AMOUNTS IN THOUSANDS
JUNE 30, 2005**

<u>Jurisdiction</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:			
Toledo City School District	\$159,641	100.00%	\$159,641
Overlapping:			
City of Toledo	138,521	74.24%	102,838
Lucas County	7,408	49.42%	<u>3,661</u>
		Subtotal	<u>106,499</u>
		Total	<u><u>\$266,140</u></u>

Source: Lucas County Auditor

TOLEDO CITY SCHOOL DISTRICT, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

Fiscal Year	Population (1)		School Enrollment (2)	Unemployment Rate (3)
1996	325,767		39,471	5.3%
1997	325,767		39,565	4.8%
1998	325,767		38,701	4.7%
1999	325,767		37,656	4.4%
2000	325,767		37,313	4.4%
2001	313,619	a)	37,315	5.7%
2002	313,619	a)	36,699	8.3%
2003	313,619	a)	35,604	9.8%
2004	313,619	a)	34,316	10.0%
2005	313,619	a)	32,998	7.7%

(1) U.S. Bureau of Census, 1994 Data; a) 2000 Census

(2) Toledo City School District records

(3) Toledo City Statistics provided by Toledo-Lucas County
Public Library.

TOLEDO CITY SCHOOL DISTRICT, OHIO

**PROPERTY VALUES AND CONSTRUCTION PERMITS
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)**

Tax Collection Year	Assessed Value (1)	Construction (1)	Bank Deposits (2)
1996	\$3,277,973	\$79,246	\$5,552,727
1997	3,253,639	115,087	3,337,234
1998	3,451,237	143,736	4,616,910
1999	3,450,882	160,835	4,958,332
2000	3,472,027	207,353	5,564,096
2001	4,084,142	158,421	1,561,915
2002	4,025,806	227,243	33,515
2003	4,009,940	92,457	23,518
2004	4,411,593	144,184	168,283
2005	4,423,240	176,421	230,739

(1) Amounts represent the City of Toledo
Source: City of Toledo

(2) Amounts represent the City of Toledo
Source: Federal Reserve

TOLEDO CITY SCHOOL DISTRICT, OHIO

PRINCIPAL PROPERTY TAXPAYERS AMOUNTS IN THOUSANDS JUNE 30, 2005

<u>Real Property and Public Utility</u>	<u>Assessed Valuation</u>	<u>% of Total Taxable Valuation</u>
Toledo Edison	\$58,396	28.33%
Ohio Bell Telephone	39,690	19.25%
Owens-Illinois	19,250	9.34%
Columbia Gas	15,553	7.54%
Medical College of Ohio	11,190	5.43%
S-S-C Company	9,560	4.64%
St . Vincent Medical Center	8,601	4.17%
A.E.R.C.	7,841	3.80%
Toledo Hospital	7,092	3.44%
Ohio Presbyterian Retirement Services	7,058	3.42%
Subtotal	184,231	89.36%
All Other	21,926	10.64%
	\$206,157	100.00%
 <u>Personal Property</u>		
Daimler Chrysler	\$17,793	5.53%
Block Communications, Inc.	13,293	4.13%
Smucker Bakery Manufacturing	13,177	4.09%
Heartland Repack Services	7,757	2.41%
Libbey, Inc.	5,599	1.74%
International Multifoods, Inc.	5,350	1.66%
Johnson Controls	5,321	1.65%
Textile Leather Corpotation	4,997	1.55%
Land O Sun Dairies LLC	3,303	1.03%
Kraft Foods - Global	3,298	1.02%
Subtotal	79,888	24.81%
All Other	242,031	75.19%
	\$321,919	100.00%

Source: Lucas County Auditor

TOLEDO CITY SCHOOL DISTRICT, OHIO

TOLEDO AREA TOP TEN EMPLOYERS JUNE 30, 2005

Employer	Type of Business	Number of Employees
ProMedica Health Systems	Medial Facilities	11,164
Mercy Health Partners	Hospital	6,640
Daimler-Chrysler - Jeep	Automotive/Manufacturing	5,281
The University of Toledo	Education	5,185
Toledo Public Schools	Education	5,012
Lucas County	Government	4,040
General Motors/Power Train	Automotive/Manufacturing	3,590
Kroger, Inc	Retail Grocery	3,488
Medical College of Ohio	Hospital	3,341
City of Toledo	Government	2,910

Source: Toledo Area Chamber of Commerce

TOLEDO CITY SCHOOL DISTRICT, OHIO

MISCELLANEOUS STATISTICAL DATA

JUNE 30, 2005

Year of Incorporation:	1837
Form of Government:	School Board/President
Area of District:	72 square miles
Population:	313,619

Number of Schools

Elementary Schools	44
Jr. High Schools	7
High Schools	7
Special Schools	12
Total	70

Enrollment

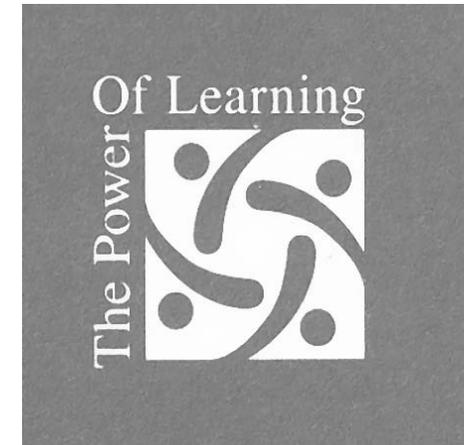
Elementary	18,275
Jr. High	4,886
High	9,452
Special	385
Total	32,998

Number of Teachers, Levels of Degree and Years of Experience

<u>Degree</u>	<u>Number of Teachers</u>	<u>% of Total</u>
Doctorate	17	0.52%
Master's & Specialist's	1,624	49.57%
Bachelor's	1,635	49.91%
Total	3,276	100.00%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5.5	439	13.39%
6 - 10.5	711	21.70%
11 - 15.5	579	17.67%
16 - 20.5	480	14.65%
21 - 25.5	360	10.99%
26 - Over	708	21.60%
Total	3,277	100.00%

Source: Toledo City School District records





**Auditor of State
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800-282-0370

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**TOLEDO CITY SCHOOL DISTRICT
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
APRIL 4, 2006**