



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

February 21, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**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	Non-cash Receipts	Disbursements	Non-cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
<u>Nutrition Cluster:</u>						
School Breakfast Program	05PU-2005	10.553	\$ 1,538,605		\$ 1,538,605	
National School Lunch Program	LLP4-2005	10.555	4,707,270		4,707,270	
Child and Adult Care Food Program	CCMO-2005	10.558	24,455		24,455	
<i>Total Nutrition Cluster</i>			<u>6,270,330</u>		<u>6,270,330</u>	
Food Donation Program		10.550		\$ 302,897		\$ 325,717
<i>Total U.S. Department of Agriculture</i>			<u>6,270,330</u>	<u>302,897</u>	<u>6,270,330</u>	<u>325,717</u>
U.S. DEPARTMENT OF JUSTICE						
<i>Passed Through Ohio Criminal Justice Coordinating Council:</i>						
Byrne Formula Grant Program						
Toledo Truancy Initiative FY05		16.579	56,141		31,026	
<i>Total U.S. Department of Justice</i>			<u>56,141</u>		<u>31,026</u>	
U.S. DEPARTMENT OF EDUCATION						
<i>Direct Programs:</i>						
Federal Pell Grant Program		84.063				
LPN Pell Grant FY-05	1346401449A4		40,203		40,203	
LPN Pell Grant FY-06	1346401449A4		527,881		527,881	
<i>Total Federal Pell Grant Program</i>			<u>568,084</u>		<u>568,084</u>	
Twenty-First Century Community Learning Centers		84.287				
21st Century TLC			73,297		102,681	
21st Century Old West End			51,070		43,784	
21st Century Spring	T1S1-2005		53,226		65,498	
21st Century Sherman/Riverside	T1S1-2005		110,018		100,378	
21st Century Newbury FY05	T1S1-2005		29,544		48,077	
21st Century Newbury FY06	T1S1-2005		86,542		74,967	
<i>Total Twenty-First Century Community Learning Centers</i>			<u>403,697</u>		<u>435,385</u>	
Fund for the Improvement of Education		84.215				
Smaller Learning Community			200,000		252,287	
Physical Education Program FY05			28,167		48,224	
Physical Education Program FY06			103,055		67,947	
TEHPPP/Toledo Ed. & House					4,519	
Construction Careers Academy			35,000		27,257	
<i>Total Fund for the Improvement of Education</i>			<u>366,222</u>		<u>400,234</u>	
<i>Total U.S. Department of Education - Direct Programs</i>			<u>1,338,003</u>		<u>1,403,703</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	Non-cash Receipts	Disbursements	Non-cash Disbursements
<i>Passed Through Ohio Department of Education:</i>						
<u>Special Education Cluster:</u>						
Special Education Grants to States Child Progress Indicators		84.027				
Spec Education IDEA, Part B	6BSF-2005		135,746		1,371,673	
Spec Education IDEA, Part B	6BSF-2006		7,357,409		7,236,787	
<i>Total Special Education Grants to States</i>			7,493,155		8,608,460	
Special Education Preschool Grants		84.173				
Preschool Grant FY 05	PGS1-2005		22,136		42,010	
Preschool Grant FY 06	PGS1-2006		208,805		248,229	
<i>Total Special Education Preschool Grants</i>			230,941		290,239	
<i>Total Special Education Cluster</i>			7,724,096		8,898,699	
Adult Education State Grant Program		84.002				
A.B.L.E. FY 05	AB-S1-05		147,360			
A.B.L.E. FY 06	AB-S1-06		647,786		622,169	
<i>Total Adult Education State Grant Program</i>			795,146		622,169	
Title I Grants to Local Educational Agencies		84.010				
Targeted Assistance FY 05	C1-S1-2005				805,087	
Targeted Assistance FY 06	C1-S1-2006		3,238,311		3,052,528	
FY 05	C1-S1-2005		703,666		2,466,584	
FY 06	C1-S1-2006		10,393,902		9,160,293	
Delinquent FY 05	C1-SD-2005				16,084	
Delinquent FY 06	C1-SD-2006		130,655		113,004	
School Improvement FY 05	C1-SK-2005		188,529		409,612	
School Improvement FY 06	C1-SK-2006		591,173		526,476	
<i>Total Title I Grants to Local Educational Agencies</i>			15,246,236		16,549,668	
Migrant Education State Grant Program		84.011				
Migrant FY 05	MG-S1-2005		771		2,382	
Migrant FY 06	MG-S1-2006		12,656		14,712	
<i>Total Migrant Education State Grant Program</i>			13,427		17,094	
Vocational Education Basic Grants to States		84.048				
Secondary FY 05	20C1-2005		208,978		383,783	
Secondary FY 06	20C1-2006		704,168		713,559	
Adult FY 05	20C2-2005				8,225	
Adult FY 06	20C2-2006		130,015		118,051	
<i>Total Vocational Education Basic Grants to States</i>			1,043,161		1,223,618	

**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	Non-cash Receipts	Disbursements	Non-cash Disbursements
Safe and Drug - Free Schools and Communities State Grants		84.186				
FY 05	DRS1-2005		46,692		209,504	
FY 06	DRS1-2006		306,147		313,820	
<i>Total Safe and Drug Free Schools and Communities State Grants</i>			352,839		523,324	
Education for Homeless Children and Youth		84.196				
FY 05	HCS1-2005		32,100		36,414	
FY 06	HCS1-2006		70,461		59,664	
<i>Total Education for Homeless Children and Youth</i>			102,561		96,078	
State Grants for Innovative Programs		84.298				
FY 05	C2S1-2005				57,078	
FY 06	C2S1-2006		379,414		412,063	
<i>Total State Grants for Innovative Programs</i>			379,414		469,141	
Comprehensive School Reform Demonstration		84.332				
Smaller Learning Community FY05	RFK2-2004		39,948			
Smaller Learning Community FY05	RFK2-2005		49,291		61,035	
Smaller Learning Community FY05	RFK2-2006		10,000			
FY 05	RFS2-2005		34,381		32,887	
Glendale & Deveaux FY05	RFCC-2005				20,000	
Glendale & Deveaux FY06	RFCC-2006		125,339		84,692	
<i>Total Comprehensive School Reform Demonstration</i>			258,959		198,614	
Improving Teacher Quality State Grants		84.367				
Improving Teacher Quality FY05	TRS1-2005		1,593,494		2,981,652	
Improving Teacher Quality FY06	TRS1-2006		3,789,347		3,665,115	
<i>Total Improving Teacher Quality State Grants</i>			5,382,841		6,646,767	
English Language Acquisition Grants		84.365				
Limited English Grant FY 05	T3S1-2005		83,223		141,461	
Limited English Grant FY 06	T3S1-2006		57,834		26,536	
Immigrant FY 05	T3S1-2005		14,072		15,636	
<i>Total English Language Acquisition Grants</i>			155,129		183,633	
Reading First State Grants		84.357				
Reading First -Ohio FY05	RSS1-2005		243,669		425,232	
Reading First -Ohio FY06	RSS1-2006		1,861,505		1,719,188	
<i>Total Reading First State Grants</i>			2,105,174		2,144,420	
Early Childhood Educator Professional		84.349				
Get It, Got It, Go					7,700	
Autism Team Training FY 05					128	
Autism Team Training FY 06			1,200		681	
<i>Total Early Childhood Educator Professional Grants</i>			1,200		8,509	

**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	Non-cash Receipts	Disbursements	Non-cash Disbursements
Hurricane Education Recovery Program Hurricane Education Recovery		84.938	41,000		11,000	
Education Technology State Grants		84.318				
Technology, Title II-D FY05	TJS1-2005				185,506	
Technology, Title II-D FY06	TJS1-2006		265,168		240,889	
Technology, Title II-D McKinley FY05	TJSL-2005		18,200		40,751	
Technology, Title II-D McKinley FY06	TJSL-2006		27,300		24,809	
<i>Total Education Technology State Grants</i>			310,668		491,955	
<i>Total U.S. Department of Education - Pass Thru Programs</i>			33,911,851		38,084,689	
Total U.S. Department of Education			<u>35,249,854</u>		<u>39,488,392</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through the Ohio Department of Education and Through the Lucas County Department of Mental Retardation and Developmental Disabilities:</i>						
State Children's Health Insurance Program		93.767	36,694		36,694	
Medical Assistance Program		93.778	763,004		763,004	
			799,698		799,698	
<i>Passed through Lucas County Job and Family Services</i>						
Temporary Assistance for Needy Families		93.558	237,499		237,501	
Total U.S. Department of Health and Human Services			1,037,197		1,037,199	
Total Federal Awards Receipts and Expenditures			<u>\$ 42,613,522</u>	<u>\$ 302,897</u>	<u>\$ 46,826,947</u>	<u>\$ 325,717</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

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 – FOOD DISTRIBUTION PROGRAM

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.

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**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 the Toledo City School District, Lucas County, Ohio (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 December 27, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

One Government Center / Room 1420 / Toledo, OH 43604-2246
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 27, 2006



**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 the Toledo City School District, Lucas County, Ohio (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, 2006. 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, 2006.

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, 2006, and have issued our report thereon dated December 27, 2006. 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

December 27, 2006

**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	-CFDA #84.027; 84.173: Special Education Cluster -CFDA #84.367: Improving Teacher Quality_ State Grants
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 1,414,580 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Finding for recovery for overpayment of teacher.	Yes	N/A



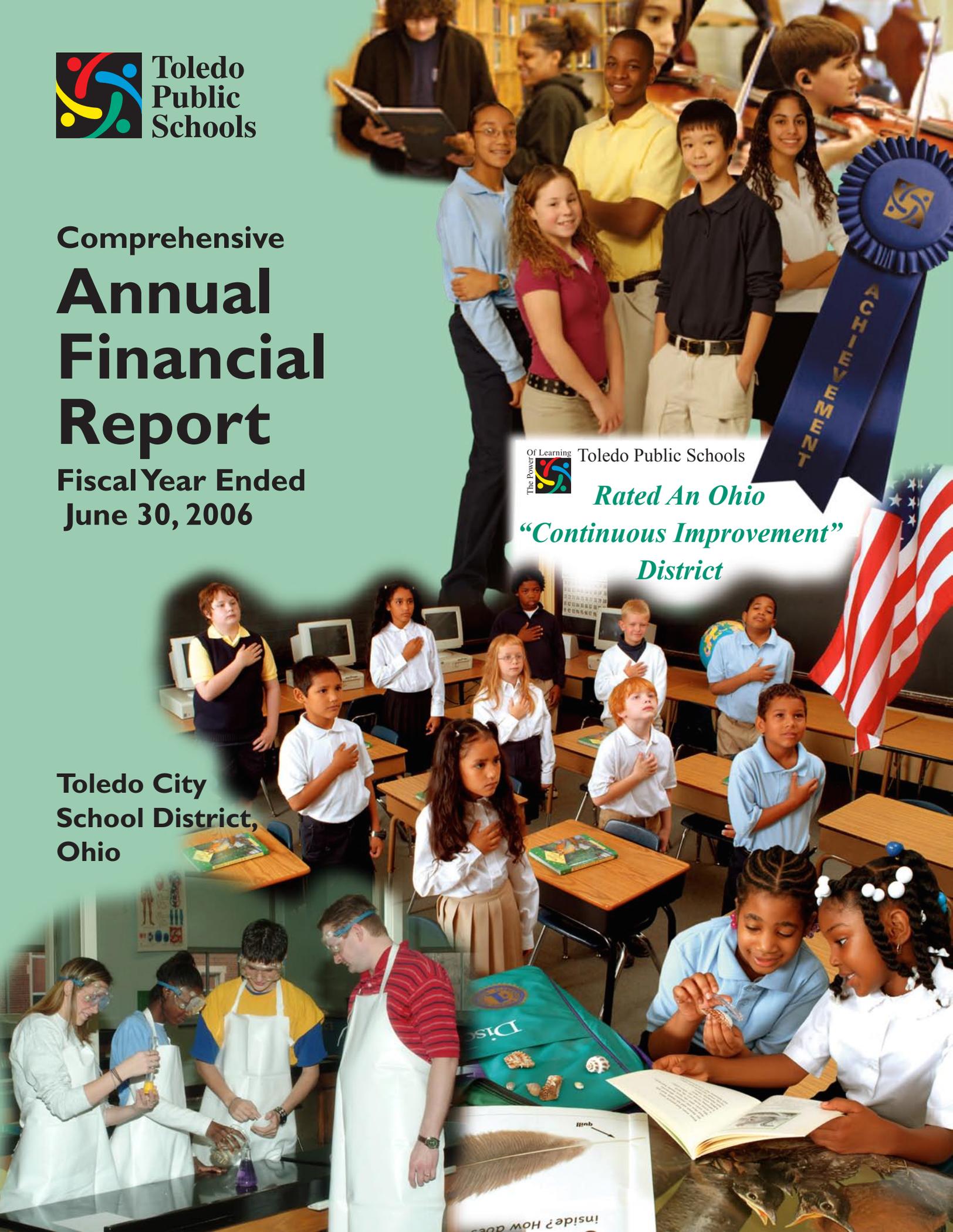
Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2006

The Power Of Learning Toledo Public Schools

*Rated An Ohio
"Continuous Improvement"
District*

Toledo City
School District,
Ohio





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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2006 • Toledo City School District, Ohio

Prepared by:

Treasurer's Division

James P. Fortlage

Treasurer

Daniel C. Griscom

Interim Treasurer

420 East Manhattan Boulevard

Toledo, Ohio 43608-1267

419.729.8367

About the Cover:

For the third year in a row, Toledo Public Schools maintained its status as the leading urban school district in Ohio when it comes to student achievement. TPS was the first urban district to attain the ranking of "continuous improvement" and through the dedication of its teachers and administrators, has maintained that status for three consecutive years. This accomplishment exemplifies how students who attend Toledo Public Schools benefit from a broad, rigorous curriculum and how they grow as individuals through involvement in a variety of enrichment programs. The cover photos illustrate the hands-on learning opportunities TPS students are provided and how individual interests and needs are met in the classroom.



Toledo Public Schools

The Power Of Learning



Toledo Board of Education



Darlene K. Fisher
President



Deborah Barnett
Vice-President



Dr. Steven C. Steel



Larry Sykes



Robert Torres



John Foley
Interim Superintendent



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 27, 2006

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, 2006, 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, 2006

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, 2006 there were 30,296 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, 2006

Like many areas of the Country, the local economy continues to be sluggish; 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 2005/06. The owners of Westfield Shoppingtown Franklin Park Mall completed, in 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.

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 recently completed 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. 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, 2006

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. 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.

Students on the Scott and Libbey campuses now can attend a smaller school of their choice inside each large school. Business, health, human services, the arts, technology – students can focus on their special interest as well as learn cored academic subjects the will enable them to go on to the world of work or higher education.

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. A district-wide high school dress code was adopted for the 2006-07 school year. 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.

During the 2005-06 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’s attendance rate was 93.2% and the graduation rate increased to 80.26% which was the highest ever and one of the highest percentages for large urban districts in the State of Ohio.

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, 2006

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 opened 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, 2006

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 \$10,159,985. Currently there are 38 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, 2006, approximately 84% 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 data base. 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 an 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. It is thought that the endeavor will be implemented during the 2006-07 fiscal year.

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, 2006

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 2007 Five-Year Financial Forecast was presented to the Board of Education for adoption in October of 2006.

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 2005-2006 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, 2006

Single Audit: As a recipient of Federal and State Financial Assistance, the District also is responsible for requiring that an adequate internal control structure is 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.

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 27, 2006.

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, 2006, the District had outstanding Long-Term Voted and Un-voted Debt issues of \$156,400,000. 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, 2006, the District's General Obligation debt of \$156,400,000 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, 2006

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, 2006

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, 2006. 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, 2005. 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 seventeen years (1989-2005). 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, 2006***

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, 2005. 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: Jeff Richard Schroeder, Acting Assistant to the Treasurer, C.P.A. Dan Romano, Chief Business Manager; Sharon Ramirez, Acting 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, 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,



John Foley
Interim Superintendent and CEO



Daniel C. Griscom
Interim 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, 2006

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
Darlene K. Fisher, President	01/01/2006	12/31/2009
Deborah Barnett, Vice President	01/01/2004	12/31/2007
Steven C. Steele, Ph.D., Member	01/01/2006	12/31/2009
Larry Sykes, Member	12/16/1997	12/31/2007
Robert Torres, Member	01/01/2006	12/31/2009

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 John Foley, Interim Superintendent of the Toledo City School District, effective May 23, 2006 with his term of office expiring July 31, 2007.

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. At June 30, 2006, the Treasurer was James P. Fortlage who subsequently retired effective August 31, 2006. Effective August 17, 2006, Daniel C. Griscom was appointed Interim Treasurer through December 31, 2006.

TOLEDO CITY SCHOOL DISTRICT

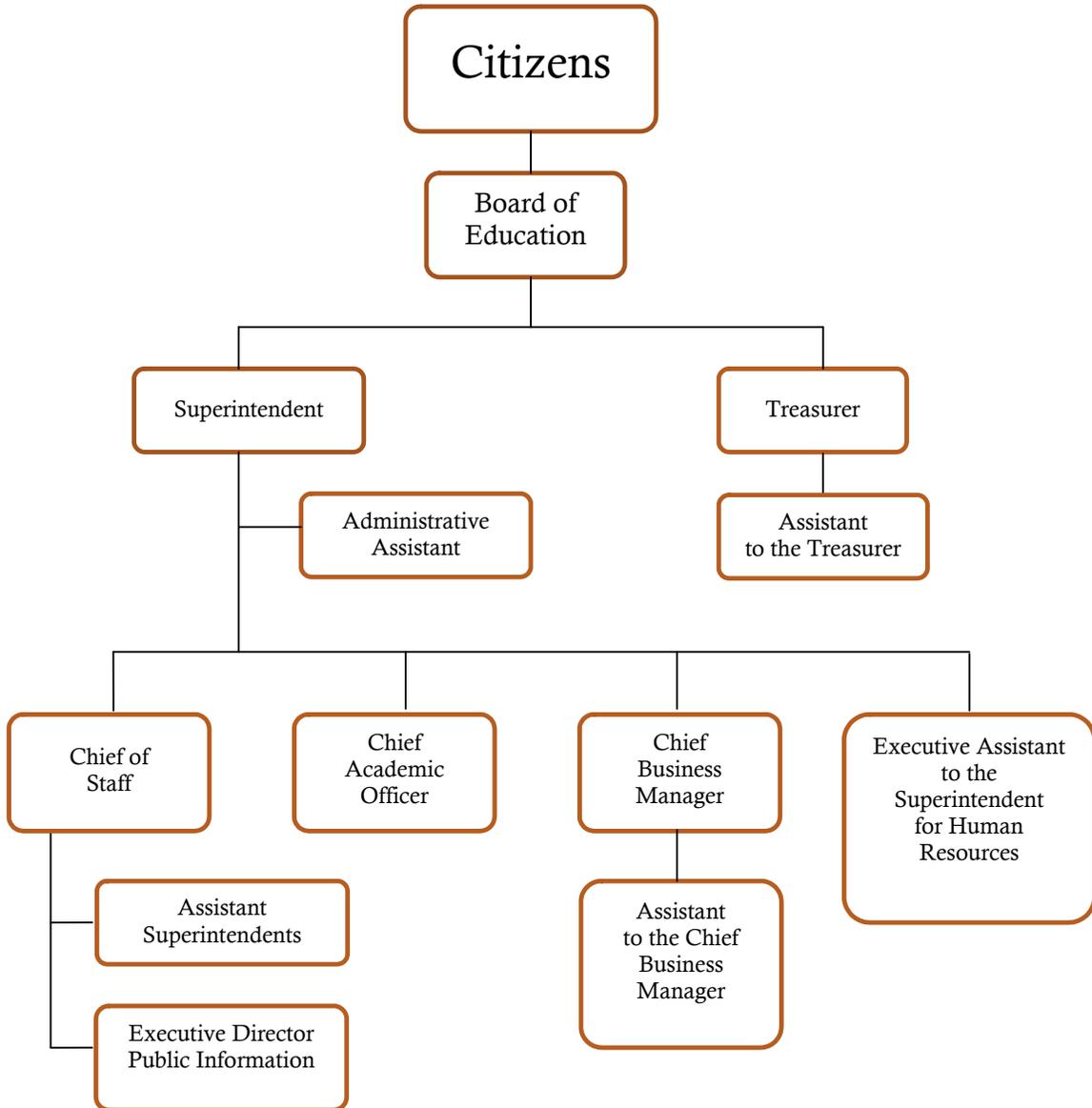
***Management Team Members and Treasurer's Office Staff
For the Fiscal Year Ended June, 30, 2006***

Management Team Members

John Foley	Interim Superintendent and Chief Executive Officer
Daniel C. Griscom	Interim Treasurer of the Board
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
Diane Irving	Assistant Superintendent, Elementary Schools
Richard Jackson	Assistant Superintendent, Elementary Schools
James D. Larson-Shidler, C.P.A.	Assistant to the Treasurer
Gary D. Sautter	Assistant to the Business Manager

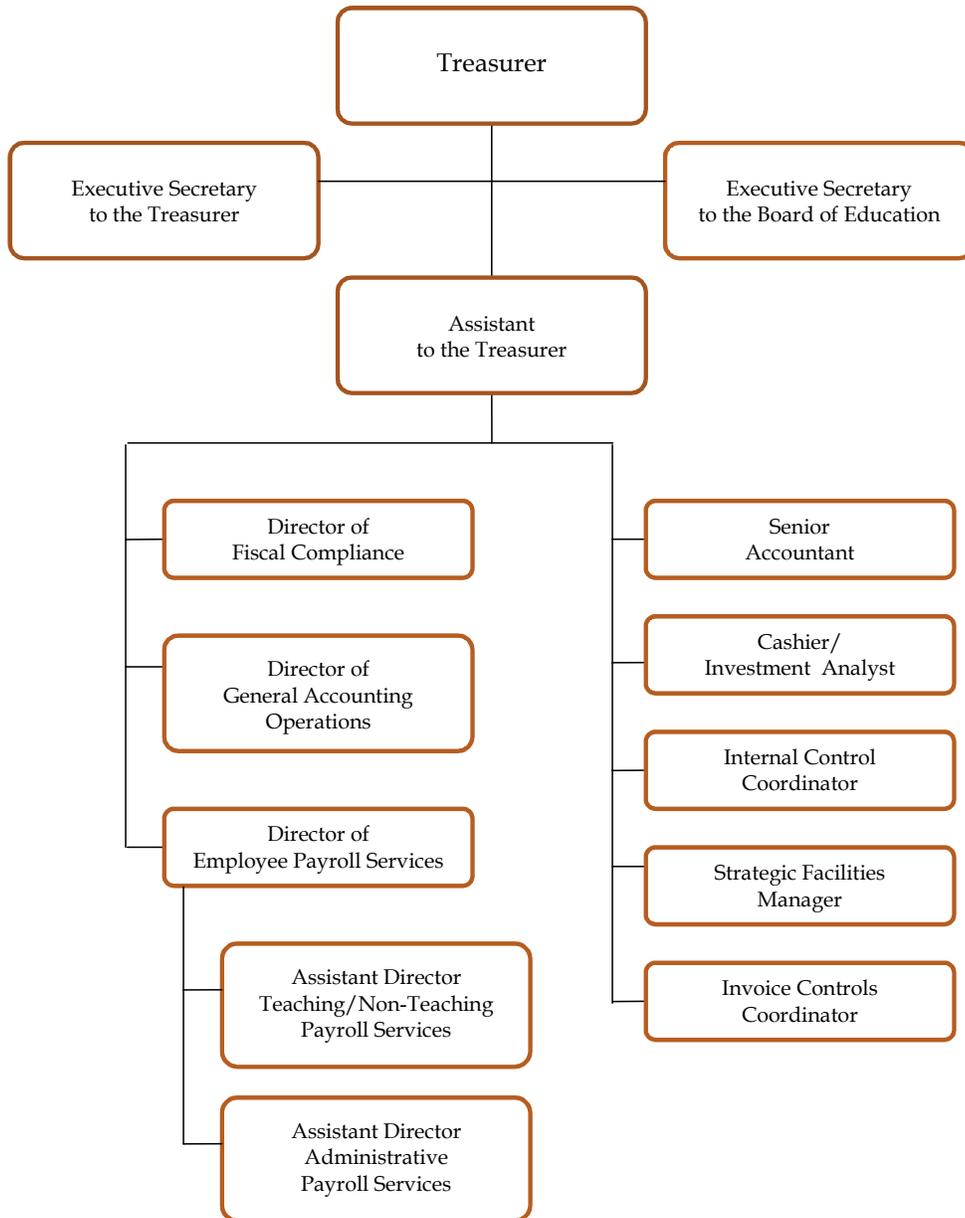
TOLEDO CITY SCHOOL DISTRICT

*School District Organizational Chart
For the Fiscal Year Ended June, 30, 2006*



TOLEDO CITY SCHOOL DISTRICT

***Treasurer's Division Organizational Chart
For the Fiscal Year Ended June, 30, 2006***



**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, 2005

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.



A handwritten signature in black ink, appearing to read "Thomas J. Blain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

TOLEDO CITY SCHOOL DISTRICT

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

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

TOLEDO CITY SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Interim Executive Director



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, 2006, 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, 2006, 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 27, 2006, 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.

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

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 schedules, 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 schedules and 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 27, 2006

TOLEDO CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006***

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, 2006. 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 2006 are as follows:

- ❑ General revenues accounted for \$328,144,657 in revenue or 79% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$88,704,736 or 21% of total revenues of \$416,849,393. Overall, the District's financial position declined, due mainly to declining student enrollment which resulted in a decrease in State of Ohio foundation payments during the fiscal year 2006.
- ❑ The District had \$464,821,441 in expenses related to governmental activities; only \$88,704,736 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$121,973,905, unrestricted state and federal revenues totaling \$197,630,604, investment earnings totaling \$8,437,563 plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$301,170,279 in revenue, \$298,936,185 in expenditures and (\$2,947,500) in net other financing uses, resulting in the general fund balance decreasing by \$713,406 to (\$12,571,614).

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, 2006**

Unaudited

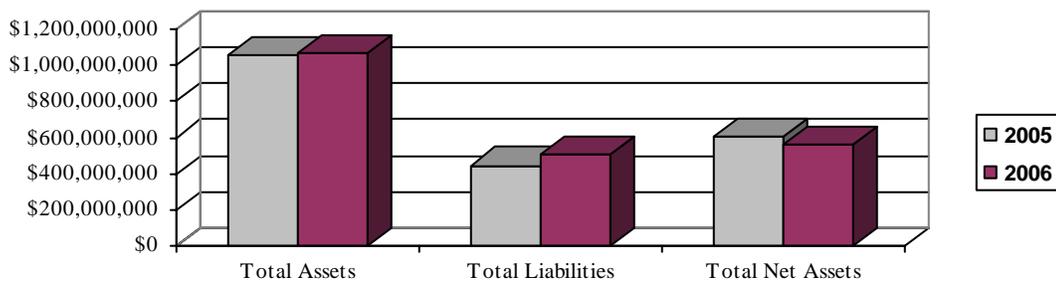
Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. 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 2006 compared to 2005:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Current and other assets	\$906,347,659	\$963,554,321	(\$57,206,662)
Capital assets, Net	158,711,452	93,380,433	65,331,019
Total assets	1,065,059,111	1,056,934,754	8,124,357
Long-term debt outstanding	200,844,240	207,818,930	(6,974,690)
Other liabilities	302,454,702	239,383,607	63,071,095
Total liabilities	503,298,942	447,202,537	56,096,405
Net assets			
Invested in capital assets, net of related debt	48,695,909	44,598,478	4,097,431
Restricted	540,068,956	600,610,804	(60,541,848)
Unrestricted	(27,004,696)	(35,477,065)	8,472,369
Total net assets	\$561,760,169	\$609,732,217	(\$47,972,048)

Toledo City Schools Governmental Activities



TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2006 compared to 2005:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Revenues			
Program revenues:			
Charges for Services	\$16,099,592	\$17,305,770	(\$1,206,178)
Operating Grants	72,027,628	63,212,833	8,814,795
Capital Grants	577,516	1,403,910	(826,394)
General revenues:			
Property Taxes	121,973,905	124,155,107	(2,181,202)
Grants and Entitlements	197,630,604	210,387,487	(12,756,883)
Other	8,540,148	7,178,766	1,361,382
Total revenues	416,849,393	423,643,873	(6,794,480)
Program Expenses			
Instruction	292,680,197	270,471,446	22,208,751
Support Services	138,761,857	135,099,356	3,662,501
Non-Instructional Services	19,816,003	27,827,829	(8,011,826)
Extracurricular Activities	6,333,665	5,262,095	1,071,570
Interest and Fiscal Charges	7,229,719	7,162,151	67,568
Total expenses	464,821,441	445,822,877	18,998,564
Total Change in Net Assets	(47,972,048)	(22,179,004)	(25,793,044)
Beginning Net Assets	609,732,217	631,911,221	(22,179,004)
Ending Net Assets	\$561,760,169	\$609,732,217	(\$47,972,048)

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.

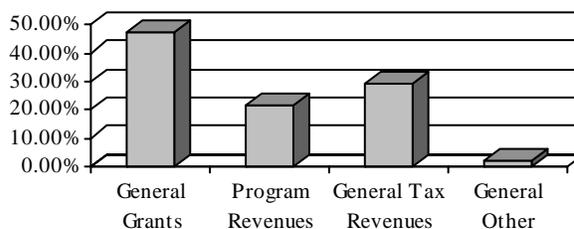
Property taxes made up approximately 29% of revenues for governmental activities for the Toledo City School District in fiscal year 2006. The District's reliance upon tax revenues is demonstrated by the following graph indicating 29.26% of total revenues from general tax revenues:

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

Revenue Sources	2006	Percent of Total
General Grants	\$197,630,604	47.41%
Program Revenues	88,704,736	21.28%
General Tax Revenues	121,973,905	29.26%
General Other	8,540,148	2.05%
Total Revenue	\$416,849,393	100.00%



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$81,829,161, which is a decrease from last year's total of \$141,786,309. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2006 and 2005.

	Fund Balance June 30, 2006	Fund Balance June 30, 2005	Increase (Decrease)
General	(\$12,571,614)	(\$11,858,208)	(\$713,406)
Debt Service	7,668,262	5,070,014	2,598,248
Permanent Improvement			
Capital Projects	3,378,906	4,342,168	(963,262)
Classroom Facilities			
Capital Projects	78,751,608	130,897,232	(52,145,624)
Other Governmental	4,601,999	13,335,103	(8,733,104)
Total	\$81,829,161	\$141,786,309	(\$59,957,148)

General Fund revenues were not sufficient to cover expenses and transfers out during fiscal year 2006. The Debt Service Fund increase was the result of principal payments to retire debt obligations were less in FY 06 than FY 2005. In general, the reduction in fund balances for the Permanent Improvement Fund, the Classroom Facilities Fund and Other Governmental Funds was directly related to increases in capital outlay expenditures for the Ohio School Facilities Fund building project. During FY 06 Rogers High School was opened in August 2006 and twenty-three new buildings are in some phase of construction.

TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

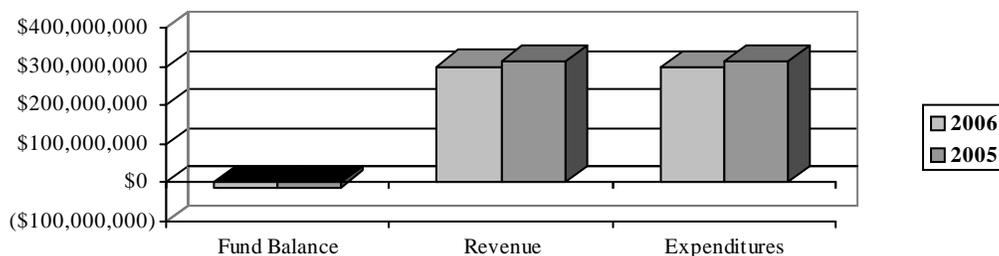
General Fund – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2006 Revenues	2005 Revenues	Increase (Decrease)
Taxes	\$101,522,958	\$101,939,842	(\$416,884)
Tuition	2,119,280	2,035,387	83,893
Transportation Fees	561,991	502,116	59,875
Investment Earnings	2,065,384	936,204	1,129,180
Class Materials and Fees	178,975	196,314	(17,339)
Intermediate Sources	0	12,976	(12,976)
Intergovernmental - State	188,150,366	197,720,951	(9,570,585)
Intergovernmental - Federal	799,698	3,584,036	(2,784,338)
All Other Revenue	5,771,627	6,218,278	(446,651)
Total	\$301,170,279	\$313,146,104	(\$11,975,825)

In FY 2005-06 total General Fund revenues decreased by approximately 3.8%. Tuition revenues had a general increase by approximately 4.1% and Other Revenue decreased by approximately 7.1% respectively due, in part, by the District reporting, in FY 05-06, District sponsored community school reimbursements as Tuition instead of Other Revenue. Investment earnings increased by approximately 120% due to a continued favorable interest rate environment as well as additional revenues available for investing. There was a decrease in Intergovernmental State revenues by approximately 4.8% due to decreases in District student enrollment resulting in reductions in State Foundation payments. There was a decrease in Intergovernmental Federal revenues of approximately 77.7% due to a decrease in monies received for Medicaid and State Children's Insurance Program reimbursements.

	2006 Expenditures	2005 Expenditures	Increase (Decrease)
Instruction	\$180,766,376	\$185,412,415	(\$4,646,039)
Supporting Services	106,558,616	113,092,697	(6,534,081)
Non-Instructional Services	6,654,460	10,397,010	(3,742,550)
Extracurricular Activities	4,732,834	3,581,665	1,151,169
Capital Outlay	223,899	93,331	130,568
Total	\$298,936,185	\$312,577,118	(\$13,640,933)

General Fund



TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

As can be seen expenditures decreased substantially. The decreases can be attributed directly to a general plan by the District to reduce overall costs which included closing five school buildings.

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 2006, 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	\$307,267,648	\$303,112,024	(.014%)
Expenditures	297,370,525	323,240,533	.087%

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TOLEDO CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2006**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2006 the District had \$158,711,452 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2006 and 2005 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$13,828,931	\$13,752,510	\$76,421
Construction in Progress	84,155,458	45,957,834	38,197,624
Land Improvements	8,879,954	9,337,804	(457,850)
Buildings	91,883,794	64,868,195	27,015,599
Building Improvements	42,568,770	43,564,899	(996,129)
Machinery and Equipment	8,914,300	7,881,489	1,032,811
Vehicles	9,499,988	9,454,882	45,106
Less: Accumulated Depreciation	(101,019,743)	(101,437,180)	417,437
Totals	\$158,711,452	\$93,380,433	\$65,331,019

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 approximately \$111,155,448 for construction and related costs. In FY 2006 the District opened Ottawa River Elementary School, Oakdale Elementary and East Broadway Middle School.

Debt - At June 30, 2006, the District had \$156,400,000 in General Obligation Bonds outstanding, \$3,265,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2006:

	2006
Governmental Activities:	
General Obligation Bonds	\$156,400,000
Premium on G.O. Bonds	3,600,164
Capital Leases Payable	221,896
Compensated Absences	40,622,180
Totals	\$200,844,240

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, 2006, 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 2006. Assumptions in the forecast included (1) an increase in property tax collections by approximately \$500,000 due to the 2006 reappraisal of Lucas County conducted by the Lucas County Auditor, (2) a decrease in state foundation payments as a result of projected losses of students of approximately 1,003 students (3) maintaining existing staffing levels and wage schedules, (4) increases in expenditures were projected for costs of health (8%), prescription (8%) and dental (8%) benefits, as well as increases in utilities (3%) and transportation (3%). In addition, in order to maintain a balanced budget for fiscal year 2007-08 the Board will authorize a reduction plan totaling \$12.726 million.

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. For FY 2005-06, health benefit costs were reduced consistent with an 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 two of its own charter schools to serve students in the District with special circumstances and resulting needs.

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 Daniel C. Griscom, Interim Treasurer, at Toledo City School District, 420 E. Manhattan Boulevard, Toledo, Ohio 43608.

TOLEDO CITY SCHOOL DISTRICT

Statement of Net Assets
June 30, 2006

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 267,890,973
Cash with Fiscal Agent	1,649,948
Receivables:	
Taxes	139,070,806
Accounts	436,506
Intergovernmental	487,546,976
Interest	3,556,749
Interfund Loan Receivable	2,157
Inventory Held for Resale	1,331,678
Restricted Assets:	
Cash and Cash Equivalents	3,700,671
Unamortized Bond Issuance Costs	1,161,195
Capital Assets Not Being Depreciated	97,984,389
Capital Assets Being Depreciated, Net	<u>60,727,063</u>
Total Assets	<u>1,065,059,111</u>
Liabilities:	
Accounts Payable	139,304,685
Accrued Wages and Benefits	35,061,371
Intergovernmental Payable	11,303,820
Unearned Revenue	116,188,844
Accrued Interest Payable	595,982
Long Term Liabilities:	
Due Within One Year	3,801,246
Due in More Than One Year	<u>197,042,994</u>
Total Liabilities	<u>503,298,942</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	48,695,909
Restricted For:	
Capital Projects	513,286,796
Debt Service	8,823,771
Permanent Fund:	
Expendable	328,736
Nonexpendable	502,291
Other Purposes	17,127,362
Unrestricted (Deficit)	<u>(27,004,696)</u>
Total Net Assets	<u>\$ 561,760,169</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2006**

	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	\$ 292,680,197	\$ 3,461,903	\$ 22,744,797	\$ 0	\$ (266,473,497)
Support Services	138,761,857	9,122,667	43,236,684	577,516	(85,824,990)
Non-Instructional Services	19,816,003	0	4,879,783	0	(14,936,220)
Extracurricular Activities	6,333,665	3,515,022	1,166,364	0	(1,652,279)
Interest and Fiscal Charges	7,229,719	0	0	0	(7,229,719)
Totals	<u>\$ 464,821,441</u>	<u>\$ 16,099,592</u>	<u>\$ 72,027,628</u>	<u>\$ 577,516</u>	<u>\$ (376,116,705)</u>
General Revenues					
Property Taxes Levied for:					
					104,775,512
					1,196,205
					11,621,405
					4,380,783
					197,630,604
					8,437,563
					102,585
					<u>328,144,657</u>
					(47,972,048)
					<u>609,732,217</u>
					<u>\$ 561,760,169</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2006**

	General	Debt Service	Permanent Improvement Capital Projects
Assets:			
Cash and Cash Equivalents	\$ 10,800,682	\$ 7,084,498	\$ 6,569,003
Cash with Fiscal Agent	0	0	1,649,948
Receivables:			
Taxes	120,977,182	13,612,381	3,052,436
Accounts	116,618	0	0
Intergovernmental	1,125,206	0	15,000
Interest	46,103	44,807	76,038
Interfund Loan Receivable	1,959,239	0	0
Inventory Held for Resale	367,764	0	0
Restricted Assets:			
Cash and Cash Equivalents	3,700,671	0	0
Total Assets	\$ 139,093,465	\$ 20,741,686	\$ 11,362,425
Liabilities:			
Accounts Payable	\$ 5,923,276	\$ 0	\$ 3,487,690
Accrued Wages and Benefits	21,193,950	0	0
Intergovernmental Payable	7,841,062	0	0
Interfund Loans Payable	0	0	0
Deferred Revenue	116,706,791	13,073,424	4,495,829
Total Liabilities	151,665,079	13,073,424	7,983,519
Fund Balances:			
Reserved for Encumbrances	52,828	0	223,655
Reserved for Supplies Inventory	367,764	0	0
Reserved for Property Taxes	4,270,391	538,957	79,312
Reserved for Budget Stabilization	3,700,671	0	0
Reserved for Endowments	0	0	0
Unreserved, Undesignated in:			
General Fund (Deficit)	(20,963,268)	0	0
Special Revenue Funds (Deficit)	0	0	0
Debt Service Fund	0	7,129,305	0
Capital Projects Funds	0	0	3,075,939
Permanent Fund	0	0	0
Total Fund Balances (Deficit)	(12,571,614)	7,668,262	3,378,906
Total Liabilities and Fund Balances	\$ 139,093,465	\$ 20,741,686	\$ 11,362,425

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Classroom Facilities	Other Governmental Funds	Total Governmental Funds
\$ 194,126,337	\$ 24,563,569	\$ 243,144,089
0	0	1,649,948
0	1,428,807	139,070,806
0	298,435	415,053
471,470,841	14,927,261	487,538,308
3,044,881	173,031	3,384,860
0	2,157	1,961,396
0	157,361	525,125
0	0	3,700,671
<u>\$ 668,642,059</u>	<u>\$ 41,550,621</u>	<u>\$ 881,390,256</u>
\$ 118,412,450	\$ 11,307,639	\$ 139,131,055
0	5,613,421	26,807,371
7,160	2,194,583	10,042,805
0	1,851,925	1,851,925
<u>471,470,841</u>	<u>15,981,054</u>	<u>621,727,939</u>
<u>589,890,451</u>	<u>36,948,622</u>	<u>799,561,095</u>
8,641,160	911,861	9,829,504
0	157,361	525,125
0	206,555	5,095,215
0	0	3,700,671
0	502,291	502,291
0	0	(20,963,268)
0	(1,438,040)	(1,438,040)
0	0	7,129,305
70,110,448	3,933,235	77,119,622
0	328,736	328,736
<u>78,751,608</u>	<u>4,601,999</u>	<u>81,829,161</u>
<u>\$ 668,642,059</u>	<u>\$ 41,550,621</u>	<u>\$ 881,390,256</u>

TOLEDO CITY SCHOOL DISTRICT

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2006***

Total Governmental Fund Balances	\$ 81,829,161
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	158,711,452
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	506,700,290
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.	15,959,488
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(201,440,222)</u>
<i>Net Assets of Governmental Funds</i>	<u><u>\$ 561,760,169</u></u>

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, 2006**

	General	Debt Service	Permanent Improvement Capital Projects
Revenues:			
Taxes	\$ 101,522,958	\$ 11,621,405	\$ 4,380,783
Tuition	2,119,280	0	0
Transportation Fees	561,991	0	0
Food Services	0	0	0
Investment Earnings	2,065,384	7,932	198,978
Extracurricular Activities	0	0	0
Class Materials and Fees	178,975	0	0
Intergovernmental - State	188,150,366	1,578,441	670,802
Intergovernmental - Federal	799,698	0	0
All Other Revenue	5,771,627	0	0
Total Revenue	301,170,279	13,207,778	5,250,563
Expenditures:			
Current:			
Instruction	180,766,376	0	426,709
Supporting Services	106,558,616	185,245	1,678,998
Non-Instructional Services	6,654,460	0	0
Extracurricular Activities	4,732,834	0	18,640
Capital Outlay	223,899	0	4,226,382
Debt Service:			
Principal Retirement	0	3,240,506	0
Interest and Fiscal Charges	0	7,183,779	0
Total Expenditures	298,936,185	10,609,530	6,350,729
Excess (Deficiency) of Revenues Over Expenditures	2,234,094	2,598,248	(1,100,166)
Other Financing Sources (Uses):			
Sale of Capital Assets	0	0	4,404
Transfers In	61,357	0	132,500
Transfers Out	(3,008,857)	0	0
Total Other Financing Sources (Uses)	(2,947,500)	0	136,904
Net Change in Fund Balance	(713,406)	2,598,248	(963,262)
Fund Balances (Deficit) at Beginning of Year	(11,858,208)	5,070,014	4,342,168
Fund Balances (Deficit) End of Year	\$ (12,571,614)	\$ 7,668,262	\$ 3,378,906

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

Classroom Facilities	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 1,196,205	\$ 118,721,351
0	1,327,844	3,447,124
0	0	561,991
0	1,975,570	1,975,570
5,240,849	831,592	8,344,735
0	1,519,804	1,519,804
0	199,227	378,202
78,604,788	29,837,517	298,841,914
0	41,392,351	42,192,049
0	2,537,450	8,309,077
<u>83,845,637</u>	<u>80,817,560</u>	<u>484,291,817</u>
0	43,459,749	224,652,834
11,676,917	22,838,976	142,938,752
0	16,541,572	23,196,032
0	1,575,203	6,326,677
124,180,085	7,911,189	136,541,555
0	0	3,240,506
134,259	38,975	7,357,013
<u>135,991,261</u>	<u>92,365,664</u>	<u>544,253,369</u>
(52,145,624)	(11,548,104)	(59,961,552)
0	0	4,404
0	3,362,804	3,556,661
0	(547,804)	(3,556,661)
0	2,815,000	4,404
(52,145,624)	(8,733,104)	(59,957,148)
<u>130,897,232</u>	<u>13,335,103</u>	<u>141,786,309</u>
<u>\$ 78,751,608</u>	<u>\$ 4,601,999</u>	<u>\$ 81,829,161</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, 2006***

Net Change in Fund Balances - Total Governmental Funds \$ (59,957,148)

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. 65,331,019

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (67,545,661)

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. 3,580,174

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 5,333

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 3,376,678

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. 7,237,557

Change in Net Assets of Governmental Activities \$ (47,972,048)

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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Revenue from Local Sources	\$ 242,133,517	\$ 110,121,451	\$ 112,436,710	\$ 2,315,259
Revenue from State Sources	63,266,821	188,150,367	188,150,366	(1)
Revenue from Federal Sources	622,758	799,698	799,698	0
Total Revenues	<u>306,023,096</u>	<u>299,071,516</u>	<u>301,386,774</u>	<u>2,315,258</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	63,024,366	94,332,232	94,332,231	1
Special	22,791,211	34,026,598	34,026,594	4
Vocational Education	6,973,208	9,382,050	9,382,048	2
Other	45,890,265	48,872,488	48,872,488	0
Support Services:				
Pupils	11,951,760	15,736,859	15,736,854	5
Instructional Staff	9,240,066	12,512,924	12,512,918	6
Board of Education	146,077	102,968	102,968	0
Administration	13,861,536	21,600,220	21,600,216	4
Fiscal Services	4,159,615	5,342,289	5,342,289	0
Business	2,066,280	2,264,727	2,264,727	0
Operation and Maintenance of Plant	26,452,801	34,062,856	34,062,854	2
Pupil Transportation	9,667,627	13,843,456	13,843,453	3
Central	5,781,308	6,419,097	6,419,097	0
Other Services:				
Food Service Operations	45,284	51,558	51,558	0
Community Services	939,161	551,071	551,071	0
Other Operation of Non-Instructional Services.	63,510,197	14,984,312	11,283,642	3,700,670
Academic and Subject Oriented Activities	353,779	416,130	416,130	0
Occupation Oriented Activities	95,609	97,696	97,696	0
Sport Oriented Activities	2,309,988	2,978,837	2,978,837	0
School and Public Service Co-Curricular. Activitie	166,305	206,300	206,300	0
Contingencies	3,330,605	0	0	0
Site Improvement Services	180,000	223,899	223,899	0
Total Expenditures	<u>292,937,048</u>	<u>318,008,567</u>	<u>314,307,870</u>	<u>3,700,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,086,048	(18,937,051)	(12,921,096)	6,015,955

(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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(2,581,962)	(3,002,733)	(3,002,733)	0
Advances In	0	2,568,681	2,568,681	0
Advances Out	(1,800,000)	(2,191,124)	(2,191,124)	0
Refund of Prior Year's Expenditures	1,244,552	1,471,827	1,471,827	0
Refund of Prior Year's Receipts	(51,515)	(38,109)	(38,109)	0
Total Other Financing Sources (Uses):	<u>(3,188,925)</u>	<u>(1,191,458)</u>	<u>(1,191,458)</u>	<u>0</u>
Net Change in Fund Balances	9,897,123	(20,128,509)	(14,112,554)	6,015,955
Fund Balance at Beginning of Year	11,560,421	11,560,421	11,560,421	0
Prior Year Encumbrances	<u>10,546,147</u>	<u>10,546,147</u>	<u>10,546,147</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,003,691</u>	<u>\$ 1,978,059</u>	<u>\$ 7,994,014</u>	<u>\$ 6,015,955</u>

See accompanying notes to the basic financial statements

TOLEDO CITY SCHOOL DISTRICT

***Statement of Net Assets
Proprietary Funds
June 30, 2006***

	Governmental Activities - Internal Service Funds
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 24,746,884
Receivables:	
Accounts	21,453
Intergovernmental	8,668
Interest	171,889
Materials and Supplies Inventory	<u>806,553</u>
Total Assets	<u>25,755,447</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	173,630
Accrued Wages and Benefits	8,254,000
Intergovernmental Payable	1,261,015
Interfund Loans Payable	<u>107,314</u>
Total Liabilities	<u>9,795,959</u>
Net Assets:	
Unrestricted	<u>15,959,488</u>
Total Net Assets	<u><u>\$ 15,959,488</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, 2006**

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Interfund Charges	\$ 49,645,814
Total Operating Revenues	<u>49,645,814</u>
Operating Expenses:	
Personal Services	2,850,935
Purchased Services	40,191,649
Supplies and Materials	253,544
Miscellaneous	25,442
Total Operating Expenses	<u>43,321,570</u>
Operating Income	6,324,244
Nonoperating Revenue (Expenses):	
Operating Grants	57,441
Investment Earnings	855,872
Total Nonoperating Revenues (Expenses)	<u>913,313</u>
Change in Net Assets	7,237,557
Net Assets Beginning of Year	<u>8,721,931</u>
Net Assets End of Year	<u>\$ 15,959,488</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, 2006**

	Governmental Activities Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$49,788,682
Cash Payments to Employees for Services and Benefits	(43,209,894)
Net Cash Provided by Operating Activities	<u>6,578,788</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Advances In from Other Funds	107,314
Advances Out to Other Funds	(36,273)
Operating Grants	57,441
Net Cash Provided by Noncapital Financing Activities	<u>128,482</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	816,406
Net Cash Provided by Investing Activities	<u>816,406</u>
Net Increase in Cash and Cash Equivalents	7,523,676
Cash and Cash Equivalents at Beginning of Year	17,223,208
Cash and Cash Equivalents at End of Year	<u>\$24,746,884</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$6,324,244
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	37,263
Increase in Intergovernmental Receivables	(8,164)
Increase in Inventory	(227,986)
Decrease in Accounts Payable	(683,554)
Increase in Accrued Wages and Benefits	768,000
Increase in Intergovernmental Payables	368,985
Total Adjustments	<u>254,544</u>
Net Cash Provided by Operating Activities	<u>\$6,578,788</u>

See accompanying notes to the basic financial statements.

TOLEDO CITY SCHOOL DISTRICT

**Statement of Net Assets
Fiduciary Funds
June 30, 2006**

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 1,295,984	\$ 499,573
Receivables:		
Accounts	14,050	4,205
Interest	15,530	6,486
Total Assets	<u>1,325,564</u>	<u>510,264</u>
Liabilities:		
Accounts Payable	4,376	84,805
Intergovernmental Payable	9,689	3,375
Due to Students	0	419,927
Due to Other Funds	0	2,157
Total Liabilities	<u>14,065</u>	<u>510,264</u>
Net Assets:		
Unrestricted	<u>1,311,499</u>	<u>0</u>
Total Net Assets	<u>\$ 1,311,499</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, 2006**

	Private Purpose Trust <u>Special Trust Fund</u>
Additions:	
Contributions:	
Sales	\$ 17,330
Dues and Fees	5,680
Private Donations	<u>158,744</u>
Total Contributions	<u>181,754</u>
Investment Earnings:	
Interest	38,811
Net Increase in the Fair Value of Investments	<u>4,799</u>
Total Investment Earnings	<u>43,610</u>
Total Additions	<u>225,364</u>
Deductions:	
Administrative Expenses	<u>74,489</u>
Total Deductions	<u>74,489</u>
Change in Net Assets	150,875
Net Assets at Beginning of Year	<u>1,160,624</u>
Net Assets End of Year	<u>\$ 1,311,499</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

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 3,077 certified teaching personnel and administrative employees providing education to 30,296 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 Imani, 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.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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:

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.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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.

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.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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, 2006, and which are not intended to finance fiscal 2006 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, 2006 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.

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.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2006.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2006, the Board of Education, following receipt of a delayed tax duplicate from the County Auditor, passed the annual certification on February 22, 2006.

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).

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

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)	(\$713,406)
Increase (Decrease):	
Accrued Revenues at June 30, 2006, received during FY 2007	(7,885,321)
Accrued Revenues at June 30, 2005, received during FY 2006	8,834,178
Accrued Expenditures at June 30, 2006, paid during FY 2007	34,958,288
Accrued Expenditures at June 30, 2005, paid during FY 2006	(42,805,363)
2006 Adjustment to Fair Value	5,580
Encumbrances Outstanding	<u>(6,506,510)</u>
Budget Basis	<u><u>(\$14,112,554)</u></u>

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, 2006, there were no investment balances as defined under section 2450.106 of the 2004 GASB Codification.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

During fiscal year 2006, 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 2006 amounted to \$2,065,384, which includes \$266,476 assigned from other funds.

The District has invested funds in the STAR Ohio during 2006. 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 AAAM 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, 2006.

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."

From July 1, 2005, the investment portfolio exhibited an increase in fair value of approximately \$18 million, while the average maturity decreased by 11 days and the average yield increased by 180 basis points (1.80%). 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, 2005, 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 2006, the balance in the Budget Stabilization reserve was \$3,700,671.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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

J. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2006.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

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	\$19,436,695
Grants Receivable	486,102,400
Unamortized Bond Issuance Costs	<u>1,161,195</u>
	\$506,700,290

Long-Term liabilities not reported in the funds:

Accrued Interest Payable on G.O. Bond Payable	(\$595,981)
G.O. Bonds Payable	(160,000,164)
Capital Leases Payable	(221,896)
Compensated Absences Payable	<u>(40,622,181)</u>
	(\$201,440,222)

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TOLEDO CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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	\$70,397,692
Depreciation Expense	<u>(5,066,673)</u>
	\$65,331,019

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$3,252,554
Decrease in Grants Receivable	<u>(70,798,215)</u>
	(\$67,545,661)

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

Long-Term Note Principal Payment	\$40,506
Capital Lease Payments	199,869
G.O. Bond Principal Payment	3,200,000
Amortize Premium on G.O. Bonds Issued	<u>139,799</u>
	\$3,580,174

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$3,394,516
Amortization of Bond Issuance Costs	<u>(17,838)</u>
	\$3,376,678

TOLEDO CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2006 of \$12,571,614 in the General Fund, \$417,981 in the Food Service Fund, \$88 in the Post Secondary Vocational Education Fund, \$11,700 in the Public School Preschool Fund, \$16,270 in the Vocational Education Enhancement Fund, \$38,865 in the Alternative Schools Fund, \$2,771,322 in the Poverty Based Assistance Fund, \$69,188 in the Adult Basic Education Fund, \$2,751 in the Title I Migrant Education Fund, \$773,064 in the Special Education Handicapped Fund, \$344,288 in the Vocational Education Fund, \$1,588,747 in the Chapter I Fund, \$84,860 in the Title V – Innovative Education Fund, \$31,457 in the Drug Free Schools Fund, \$75,997 in the EHA Preschool Handicapped Fund, \$397,138 in the Improving Teacher Quality Fund and \$372,930 in the Miscellaneous Federal Grants 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, 2006, the carrying amount of all District deposits was \$51,810,932. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2006, \$54,025,427 cash concentration accounts, savings accounts and certificates of deposit included in deposits of the District's bank balance of \$53,525,427 was exposed to custodial risk as discussed below, while \$500,000 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, 2006, 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, 2006**

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

Investments

As of June 30, 2006, the District had the following investments and maturities.

<u>Investment Type</u>	<u>June 30, 2006</u>	<u>June 30, 2006</u>	<u>Investment Maturity in Years</u>		
	<u>Adjusted Cost</u>	<u>Fair Value</u>	<u>Less than One</u>	<u>One to Two</u>	<u>Two to Five</u>
Star Ohio	5,825,341	5,825,341	5,825,341	0	0
Bank Repurchase Agreements	33,774,719	33,774,719	33,774,719	0	0
Commercial Paper	41,538,906	41,961,561	41,961,561	0	0
Banker's Acceptances	0	0	0	0	0
US Treasury Securities	0	0	0	0	0
Non-Callable US Agency Securities	49,681,208	49,883,817	40,030,717	9,853,100	0
Callable US Agency Securities	50,041,392	49,309,200	0	39,465,400	9,843,800
Coupon Step US Agency Securities	43,000,000	42,471,580	0	2,974,680	39,496,900
	<u>223,861,564</u>	<u>223,226,217</u>	<u>121,592,337</u>	<u>52,293,180</u>	<u>49,340,700</u>
			54.47%	23.43%	22.10%

**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:	460
The Remaining Life (in Days) of the Entire Investment Portfolio From Year End to Maturity Date is:	352
The Average Duration of the Entire Investment Portfolio is:	1.05
The Weighted Average Yield of the Entire Portfolio is:	4.705%

A security with less than one (1) year to maturity (based on Remaining Life), is reported at cost, plus or minus, accretion or amortization adjustment. A security with a maturity of more than one (1) year (based on Remaining Life), is reported at adjusted cost, plus or minus, market value adjustment. Star Ohio, Bank Certificates of Deposit and Repurchase Agreements are reported at adjusted cost.

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, 2006, fifty four percent (54%) of the investment portfolio matures within one year, while seventy-eight percent (78%) of the portfolio matures within two years.

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

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

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.

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.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

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

- (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.

The following table includes the percentage of total of each investment type held by the District at June 30, 2006:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAR Ohio	\$5,825,340	2.61%
Bank Repurchase Agreements	33,774,719	15.13%
Commercial Paper	41,961,561	18.80%
Non-Callable US Agency Securities	49,883,817	22.35%
Callable US Agency Securities	49,309,200	22.08%
Coupon Step US Agency Securities	42,471,580	19.03%
Total Investments	<u>\$223,226,217</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, 2006:

STAR Ohio	\$5,825,341	2.61%
National City Bank	2,372,000	1.06%
KeyBank	2,481,236	1.11%
Huntington National Bank	28,921,482	12.96%
General Electric Capital Services	1,997,958	0.90%
National City Commercial Credit	9,989,792	4.48%
New Center Asset Trust (GMAC)	9,997,050	4.48%
HSBC Financial Corporation	9,989,811	4.48%
Toyota Motor Credit Corporation	9,986,950	4.47%
Federal Home Loan Bank System	62,325,781	27.92%
Federal National Mortgage Association	27,829,434	12.47%
Federal Home Loan Mortgage Corporation	41,656,282	18.66%
Federal Farm Credit System	9,853,100	4.41%
Total Investments	<u>\$223,226,217</u>	<u>100.00%</u>

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

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 2006 were levied after October 1, 2005 on assessed values as of January 1, 2005, 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 2005. 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 2006, upon which the 2005 levies were based, were as follows:

	2005 Second Half	2006 First Half
	<u>Collections</u>	<u>Collections</u>
Real Estate	\$2,693,299,190	\$2,675,628,500
Tangible Personal and Public Utility Property	440,319,809	418,317,269
Total Assessed Value	<u>\$3,133,618,999</u>	<u>\$3,093,945,769</u>
Tax rate per \$1,000 of assessed valuation	\$67.35	\$67.35

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 6 - RECEIVABLES

Receivables at June 30, 2006 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, 2006 from one individual fund to another are as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$1,959,239	\$0
Other Governmental Funds	2,157	1,851,925
Internal Service Funds	0	107,314
Agency Funds	0	2,157
Totals	<u>\$1,961,396</u>	<u>\$1,961,396</u>

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2006:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$61,357	\$3,008,857
Permanent Improvement Capital Projects Fund	132,500	0
Other Governmental Funds	3,362,804	547,804
Total All Funds	<u>\$3,556,661</u>	<u>\$3,556,661</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, 2006**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2006:

Historical Cost:

Class	June 30, 2005	Additions	Deletions	June 30, 2006
<i>Capital assets not being depreciated:</i>				
Land	\$13,752,510	\$76,421	\$0	\$13,828,931
Construction in Progress	45,957,834	55,428,817	(17,231,193)	84,155,458
<i>Capital assets being depreciated:</i>				
Land Improvements	9,337,804	0	(457,850)	8,879,954
Buildings	64,868,195	31,835,304	(4,819,705)	91,883,794
Building Improvements	43,564,899	0	(996,129)	42,568,770
Machinery and Equipment	7,881,489	1,121,511	(88,700)	8,914,300
Vehicles	9,454,882	45,106	0	9,499,988
Total Cost	<u>\$194,817,613</u>	<u>\$88,507,159</u>	<u>(\$23,593,577)</u>	<u>\$259,731,195</u>

Accumulated Depreciation:

Class	June 30, 2005	Additions	Deletions	June 30, 2006
Land Improvements	(\$7,833,991)	(\$179,430)	\$421,020	(\$7,592,401)
Buildings	(53,304,504)	(1,794,433)	4,140,711	(50,958,226)
Building Improvements	(29,014,443)	(1,527,161)	815,145	(29,726,459)
Machinery and Equipment	(3,892,123)	(1,152,491)	88,700	(4,955,914)
Vehicles	(7,392,119)	(413,158)	18,534	(7,786,743)
Total Depreciation	<u>(\$101,437,180)</u>	<u>(\$5,066,673) *</u>	<u>\$5,484,110</u>	<u>(\$101,019,743)</u>

Net Value: \$93,380,433 \$158,711,452

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$3,258,511
Support Services	1,411,128
Non-Instructional Services	267,518
Extracurricular Activities	<u>129,516</u>
Total Depreciation Expense	<u>\$5,066,673</u>

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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, by calling (800) 878-5853 or by visiting the SERS web site at ohsers.org.

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 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. 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, 2006, 2005 and 2004 were \$4,168,816, \$4,758,068, and \$4,206,309 respectively; 45.22% has been contributed for fiscal year 2006 and 100% for fiscal years 2005 and 2004.

B. State Teachers Retirement System 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 or by visiting the STRS Ohio web site at www.strsoh.org.

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 divided by 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

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (Continued)

decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired 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, 2006, 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. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. 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 to STRS for the years ending June 30, 2006, 2005, and 2004 were \$17,634,310, \$21,105,975, and \$21,471,583, respectively; 81.65% has been contributed for fiscal year 2006 and 100% for fiscal years 2005 and 2004.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District this amount equaled \$1,356,485.

TOLEDO CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006***

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$2,440,348.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

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TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

NOTE 12 - LONG-TERM DEBT

Long-term debt of the District at June 30, 2006 was as follows:

Description	Balance June 30, 2005	Issued	(Retired)	Balance June 30, 2006	Amount Due Within One Year
Governmental Activities:					
<u>General Obligation Bond:</u>					
School Facility Improvement					
G.O. Bond (2.00% - 5.00%)	\$56,000,000	\$0	(\$1,260,000)	\$54,740,000	\$1,285,000
Premium General Obligation Bond	1,453,373	0	(58,135)	1,395,238	58,135
School Facility Improvement					
G.O. Bond (2.00% - 5.00%)	103,600,000	0	(1,940,000)	101,660,000	1,980,000
Premium General Obligation Bond	2,286,590	0	(81,664)	2,204,926	81,664
Total General Obligation Bond	163,339,963	0	(3,339,799)	160,000,164	3,404,799
<u>General Obligation Long-Term Note:</u>					
1987 EPA Promissory Note - 0.00%	40,506	0	(40,506)	0	0
<u>Obligations Under Capital Lease:</u>					
Governmental Activities	421,765	0	(199,869)	221,896	221,896
<u>Other Obligations:</u>					
Compensated Absences	44,016,696	4,243,341	(7,637,857)	40,622,180	174,551
Long-Term Debt and Other Long-Term Obligations	<u>\$207,818,930</u>	<u>\$4,243,341</u>	<u>(\$11,218,031)</u>	<u>\$200,844,240</u>	<u>\$3,801,246</u>

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, 2006**

NOTE 12 - LONG-TERM DEBT (Continued)

A summary of the District's future long-term debt funding requirements for the general obligation bonds payable, including principal and interest payments as of June 30, 2006, follows:

<u>General Obligation Long-Term Note / Bond Payable</u>			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,615,000	6,762,849	10,377,849
2012-2016	20,240,000	31,570,724	51,810,724
2017-2021	25,610,000	25,959,894	51,569,894
2022-2026	32,900,000	18,656,155	51,556,155
2027-2031	42,140,000	9,561,080	51,701,080
2032-2033	18,380,000	894,385	19,274,385
Totals	<u>\$156,400,000</u>	<u>\$121,407,585</u>	<u>\$277,807,585</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, 2006. The future lease payment for this lease is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2007	<u>\$285,496</u>
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, 2006**

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, 2006:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2007	<u>\$234,718</u>
Minimum Lease Payments	234,718
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(12,822)</u>
Present value of minimum lease payments	<u><u>\$221,896</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 approximately \$111,155,448 for construction commitments and related 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, 2006, the net appreciation on investments of donor-restricted endowments was \$5,885. 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, 2006, accumulated available net appreciation of \$325,503 is reported in unrestricted net assets.

TOLEDO CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006**

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 \$8,254,000 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$1,261,015 (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 2005 and 2006 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>
2005	\$11,978,806	40,968,976	(44,569,752)	\$8,378,030
2006	8,378,030	43,624,318	(42,487,333)	9,515,015

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, 2006**

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, 2006, the reserve activity (cash-basis) was as follows:

	Materials and Supplies	Capital Maintenance	Budget Stabilization	Total
Set-aside Balance as of June 30, 2005	(\$8,599,661)	\$0	\$3,700,671	(\$4,898,990)
Current Year Set-Aside Requirement	5,032,449	5,032,449	0	10,064,898
Current Year Offset Credits	0	(5,335,337)	0	(5,335,337)
Qualifying Disbursements	(5,418,165)	(15,468,085)	0	(20,886,250)
Total	<u>(\$8,985,377)</u>	<u>(\$15,770,973)</u>	<u>\$3,700,671</u>	<u>(\$21,055,679)</u>
Set-aside Balance Carried Forward to FY 2007	<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, 2006.

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, 2006. 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, 2006***

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.

*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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Entry Year Teachers Fund

A fund to provide direct assistance to the District's beginning teachers through teacher mentoring.

Disadvantaged Pupil Impact Aid Fund

A fund used to account for monies received for disadvantaged pupil impact aid. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Data Communication Fund

A fund used to account for monies received for the maintenance of the Ohio Educational Computer Network connections. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

SchoolNet Professional Development Fund

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

(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). (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Poverty Based Assistance Fund

A fund used to account for monies appropriated for poverty bases assistance as a part of the State Foundation System.

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.

(Continued)

Special Revenue Funds

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.

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.

Title V – Innovative Education 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.

Improving Teacher Quality Fund

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, to reduce the number of students per teacher.

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.

Telecommunity Fund

A fund provided to account for technology equity funding to low-wealth school districts

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, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 13,175,278	\$ 10,560,495	\$ 827,796	\$ 24,563,569
Receivables:				
Taxes	1,428,807	0	0	1,428,807
Accounts	298,435	0	0	298,435
Intergovernmental	14,927,261	0	0	14,927,261
Interest	76,470	85,814	10,747	173,031
Interfund Loan Receivable	2,157	0	0	2,157
Inventory Held for Resale	157,361	0	0	157,361
Total Assets	\$ 30,065,769	\$ 10,646,309	\$ 838,543	\$ 41,550,621
Liabilities:				
Accounts Payable	\$ 4,605,808	\$ 6,699,095	\$ 2,736	\$ 11,307,639
Accrued Wages and Benefits	5,610,768	2,653	0	5,613,421
Intergovernmental Payable	2,188,709	1,774	4,100	2,194,583
Interfund Loans Payable	1,851,925	0	0	1,851,925
Deferred Revenue	15,981,054	0	0	15,981,054
Total Liabilities	30,238,264	6,703,522	6,836	36,948,622
Fund Balances:				
Reserved for Encumbrances	901,629	9,552	680	911,861
Reserved for Supplies Inventory	157,361	0	0	157,361
Reserved for Property Taxes	206,555	0	0	206,555
Reserved for Endowments	0	0	502,291	502,291
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(1,438,040)	0	0	(1,438,040)
Capital Projects Funds	0	3,933,235	0	3,933,235
Permanent Fund	0	0	328,736	328,736
Total Fund Balances (Deficit)	(172,495)	3,942,787	831,707	4,601,999
Total Liabilities and Fund Balances	\$ 30,065,769	\$ 10,646,309	\$ 838,543	\$ 41,550,621

TOLEDO CITY SCHOOL DISTRICT**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,196,205	\$ 0	\$ 0	\$ 1,196,205
Tuition	1,327,844	0	0	1,327,844
Food Services	1,975,570	0	0	1,975,570
Investment Earnings	292,175	508,111	31,306	831,592
Extracurricular Activities	1,519,804	0	0	1,519,804
Class Materials and Fees	199,227	0	0	199,227
Intergovernmental - State	29,260,003	577,514	0	29,837,517
Intergovernmental - Federal	41,392,351	0	0	41,392,351
All Other Revenue	2,537,450	0	0	2,537,450
Total Revenue	79,700,629	1,085,625	31,306	80,817,560
Expenditures:				
Current:				
Instruction	43,456,527	2,676	546	43,459,749
Supporting Services	22,245,925	570,965	22,086	22,838,976
Operation of Non-Instructional Services	16,541,572	0	0	16,541,572
Extracurricular Activities	1,575,203	0	0	1,575,203
Capital Outlay	0	7,911,189	0	7,911,189
Debt Service:				
Interest and Fiscal Charges	0	38,975	0	38,975
Total Expenditures	83,819,227	8,523,805	22,632	92,365,664
Excess (Deficiency) of Revenues Over Expenditures	(4,118,598)	(7,438,180)	8,674	(11,548,104)
Other Financing Sources (Uses):				
Transfers In	3,362,804	0	0	3,362,804
Transfers Out	(547,804)	0	0	(547,804)
Total Other Financing Sources (Uses)	2,815,000	0	0	2,815,000
Net Change in Fund Balance	(1,303,598)	(7,438,180)	8,674	(8,733,104)
Fund Balances at Beginning of Year	1,131,103	11,380,967	823,033	13,335,103
Fund Balances (Deficit) End of Year	\$ (172,495)	\$ 3,942,787	\$ 831,707	\$ 4,601,999

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006**

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	School Building Support
Assets:					
Cash and Cash Equivalents	\$ 21,816	\$ 137,695	\$ 207,550	\$ 174,381	\$ 825,756
Receivables:					
Taxes	0	0	0	0	0
Accounts	14,078	5,141	1,243	80,643	5,469
Intergovernmental	12,793	0	0	0	0
Interest	0	0	2,699	0	10,720
Interfund Loan Receivable	0	0	0	0	0
Inventory Held for Resale	157,361	0	0	0	0
Total Assets	\$ 206,048	\$ 142,836	\$ 211,492	\$ 255,024	\$ 841,945
Liabilities:					
Accounts Payable	\$ 20,051	\$ 59,111	\$ 9,170	\$ 20,212	\$ 65,888
Accrued Wages and Benefits	212,292	0	0	52,790	0
Intergovernmental Payable	391,686	0	0	36,657	1,200
Interfund Loans Payable	0	0	0	89,318	1,000
Deferred Revenue	0	0	0	0	0
Total Liabilities	624,029	59,111	9,170	198,977	68,088
Fund Balances:					
Reserved for Encumbrances	1,261	7,240	3,845	8,357	27,946
Reserved for Supplies Inventory	157,361	0	0	0	0
Reserved for Property Taxes	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	(576,603)	76,485	198,477	47,690	745,911
Total Fund Balances (Deficit)	(417,981)	83,725	202,322	56,047	773,857
Total Liabilities and Fund Balances	\$ 206,048	\$ 142,836	\$ 211,492	\$ 255,024	\$ 841,945

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>
\$ 479,046	\$ 4,832,486	\$ 434,433	\$ 1,465,912	\$ 5,175	\$ 2,500
0	1,428,807	0	0	0	0
188,799	0	3,062	0	0	0
0	0	0	113,000	5,631	0
0	57,411	5,640	0	0	0
0	0	2,157	0	0	0
0	0	0	0	0	0
<u>\$ 667,845</u>	<u>\$ 6,318,704</u>	<u>\$ 445,292</u>	<u>\$ 1,578,912</u>	<u>\$ 10,806</u>	<u>\$ 2,500</u>
\$ 104,623	\$ 83,437	\$ 61,084	\$ 832,191	\$ 4,197	\$ 319
62,505	0	71	240,389	0	0
254,075	0	0	61,423	750	0
100,369	0	0	132,601	316	0
0	1,349,495	0	113,000	5,631	0
<u>521,572</u>	<u>1,432,932</u>	<u>61,155</u>	<u>1,379,604</u>	<u>10,894</u>	<u>319</u>
6,943	9,800	9,222	22,468	228	1,261
0	0	0	0	0	0
0	206,555	0	0	0	0
<u>139,330</u>	<u>4,669,417</u>	<u>374,915</u>	<u>176,840</u>	<u>(316)</u>	<u>920</u>
<u>146,273</u>	<u>4,885,772</u>	<u>384,137</u>	<u>199,308</u>	<u>(88)</u>	<u>2,181</u>
<u>\$ 667,845</u>	<u>\$ 6,318,704</u>	<u>\$ 445,292</u>	<u>\$ 1,578,912</u>	<u>\$ 10,806</u>	<u>\$ 2,500</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006**

	Management Information System	Public School Preschool	Entry Year Programs Teachers	SchoolNet Professional Development	Ohio Reads Grant
Assets:					
Cash and Cash Equivalents	\$ 55,467	\$ 17,379	\$ 16,800	\$ 11,158	\$ 171,160
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	29,116
Interest	0	0	0	0	0
Interfund Loan Receivable	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Total Assets	\$ 55,467	\$ 17,379	\$ 16,800	\$ 11,158	\$ 200,276
Liabilities:					
Accounts Payable	\$ 136	\$ 9,073	\$ 0	\$ 9,133	\$ 87,876
Accrued Wages and Benefits	1,647	14,919	10,859	0	46,375
Intergovernmental Payable	5,133	5,087	1,983	0	3,705
Interfund Loans Payable	0	0	0	0	23,929
Deferred Revenue	0	0	0	0	29,116
Total Liabilities	6,916	29,079	12,842	9,133	191,001
Fund Balances:					
Reserved for Encumbrances	0	1,908	0	0	7,809
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)	48,551	(13,608)	3,958	2,025	1,466
Total Fund Balances (Deficit)	48,551	(11,700)	3,958	2,025	9,275
Total Liabilities and Fund Balances	\$ 55,467	\$ 17,379	\$ 16,800	\$ 11,158	\$ 200,276

TOLEDO CITY SCHOOL DISTRICT

Vocational Education Enhancement	Alternative Schools	Poverty Based Assistance	Miscellaneous State	Adult Basic Education	Title I Migrant Education
\$ 27,094	\$ 6,819	\$ 137,309	\$ 204,411	\$ 25,620	\$ 2,429
0	0	0	0	0	0
0	0	0	0	0	0
8,020	10,219	351,863	39,620	214	4,258
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 35,114</u>	<u>\$ 17,038</u>	<u>\$ 489,172</u>	<u>\$ 244,031</u>	<u>\$ 25,834</u>	<u>\$ 6,687</u>
\$ 25,591	\$ 34	\$ 112,331	\$ 165,081	\$ 14,982	\$ 1,656
279	36,696	2,253,863	14,920	66,167	653
186	8,954	542,437	7,637	13,659	589
17,308	0	0	616	0	2,282
8,020	10,219	351,863	39,620	214	4,258
<u>51,384</u>	<u>55,903</u>	<u>3,260,494</u>	<u>227,874</u>	<u>95,022</u>	<u>9,438</u>
1,159	0	24,973	270	9,013	770
0	0	0	0	0	0
0	0	0	0	0	0
<u>(17,429)</u>	<u>(38,865)</u>	<u>(2,796,295)</u>	<u>15,887</u>	<u>(78,201)</u>	<u>(3,521)</u>
<u>(16,270)</u>	<u>(38,865)</u>	<u>(2,771,322)</u>	<u>16,157</u>	<u>(69,188)</u>	<u>(2,751)</u>
<u>\$ 35,114</u>	<u>\$ 17,038</u>	<u>\$ 489,172</u>	<u>\$ 244,031</u>	<u>\$ 25,834</u>	<u>\$ 6,687</u>

(Continued)

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006**

	Special Education Handicapped	Vocational Education	Title VII Bilingual Education Program	Chapter I	Title V - Innovative Education
Assets:					
Cash and Cash Equivalents	\$ 278,066	\$ 242,567	\$ 46,318	\$ 1,996,447	\$ 14,572
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	4,528,613	1	6,665	5,357,306	543,624
Interest	0	0	0	0	0
Interfund Loan Receivable	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Total Assets	\$ 4,806,679	\$ 242,568	\$ 52,983	\$ 7,353,753	\$ 558,196
Liabilities:					
Accounts Payable	\$ 114,852	\$ 211,550	\$ 28,715	\$ 1,626,318	\$ 8,822
Accrued Wages and Benefits	477,296	83,555	2,745	1,285,034	48,094
Intergovernmental Payable	302,086	51,753	4,295	283,895	10,565
Interfund Loans Payable	156,896	239,997	0	389,947	36,951
Deferred Revenue	4,528,613	1	6,665	5,357,306	538,624
Total Liabilities	5,579,743	586,856	42,420	8,942,500	643,056
Fund Balances:					
Reserved for Encumbrances	121,779	11,784	8,410	316,516	5,749
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)	(894,843)	(356,072)	2,153	(1,905,263)	(90,609)
Total Fund Balances (Deficit)	(773,064)	(344,288)	10,563	(1,588,747)	(84,860)
Total Liabilities and Fund Balances	\$ 4,806,679	\$ 242,568	\$ 52,983	\$ 7,353,753	\$ 558,196

TOLEDO CITY SCHOOL DISTRICT

<u>Drug Free School Grants</u>	<u>Preschool Grants for the Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 4,906	\$ 1,428	\$ 453,798	\$ 874,780	\$ 13,175,278
0	0	0	0	1,428,807
0	0	0	0	298,435
104,041	39,424	2,312,353	1,460,500	14,927,261
0	0	0	0	76,470
0	0	0	0	2,157
0	0	0	0	157,361
<u>\$ 108,947</u>	<u>\$ 40,852</u>	<u>\$ 2,766,151</u>	<u>\$ 2,335,280</u>	<u>\$ 30,065,769</u>
\$ 3,171	\$ 1,035	\$ 277,469	\$ 647,700	\$ 4,605,808
19,194	20,304	445,999	214,122	5,610,768
5,249	15,235	116,183	64,287	2,188,709
8,749	40,851	289,194	321,601	1,851,925
104,041	39,424	2,034,444	1,460,500	15,981,054
<u>140,404</u>	<u>116,849</u>	<u>3,163,289</u>	<u>2,708,210</u>	<u>30,238,264</u>
1,732	392	126,436	164,358	901,629
0	0	0	0	157,361
0	0	0	0	206,555
<u>(33,189)</u>	<u>(76,389)</u>	<u>(523,574)</u>	<u>(537,288)</u>	<u>(1,438,040)</u>
<u>(31,457)</u>	<u>(75,997)</u>	<u>(397,138)</u>	<u>(372,930)</u>	<u>(172,495)</u>
<u>\$ 108,947</u>	<u>\$ 40,852</u>	<u>\$ 2,766,151</u>	<u>\$ 2,335,280</u>	<u>\$ 30,065,769</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, 2006**

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	School Building Support
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	1,309,149	0
Investment Earnings	0	0	8,082	0	35,434
Food Service	1,975,570	0	0	0	0
Extracurricular Activities	0	3,616	261,553	0	692,377
Classroom Materials and Fees	0	184,448	0	0	0
State Sources	320,311	0	0	349,454	0
Federal Sources	6,488,988	0	0	0	0
Miscellaneous Revenue	153,077	0	5,548	0	118,438
Total Revenue	8,937,946	188,064	275,183	1,658,603	846,249
Expenditures:					
Current:					
Instruction	0	254,048	256,565	1,529,312	144,754
Support Services	110,534	0	0	21,942	38,910
Non-Instructional Services	10,965,315	0	0	11,842	0
Extracurricular Activities	0	0	0	0	766,160
Total Expenditures	11,075,849	254,048	256,565	1,563,096	949,824
Excess (Deficiency) of Revenues Over Expenditures	(2,137,903)	(65,984)	18,618	95,507	(103,575)
Other Financing Sources (Uses):					
Transfers In	2,028,406	115,502	7,016	28,148	117,600
Transfers Out	0	(314)	(21,826)	0	(16,712)
Total Other Financing Sources (Uses)	2,028,406	115,188	(14,810)	28,148	100,888
Net Change in Fund Balance	(109,497)	49,204	3,808	123,655	(2,687)
Fund Balances (Deficit) at Beginning of Year	(308,484)	34,521	198,514	(67,608)	776,544
Fund Balances (Deficit) End of Year	\$ (417,981)	\$ 83,725	\$ 202,322	\$ 56,047	\$ 773,857

TOLEDO CITY SCHOOL DISTRICT

Other Grants	School Facilities Maintenance	Administratively Managed Student Activity	Auxiliary Services Program	Post Secondary Vocational Education	Teacher Development	Excellence in Education
\$ 0	\$ 1,196,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	138,197	18,079	92,383	0	0	0
0	0	0	0	0	0	0
0	0	562,258	0	0	0	0
0	0	14,779	0	0	0	0
0	170,370	0	4,092,416	20,626	40,682	0
0	0	0	0	0	0	0
<u>2,205,413</u>	<u>0</u>	<u>54,974</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,205,413</u>	<u>1,504,772</u>	<u>650,090</u>	<u>4,184,799</u>	<u>20,626</u>	<u>40,682</u>	<u>0</u>
45,182	0	0	147,408	0	19,669	4,875
2,388,076	102,667	396	113,465	15,324	1,477	0
0	0	0	4,042,732	0	0	0
0	0	809,043	0	0	0	0
<u>2,433,258</u>	<u>102,667</u>	<u>809,439</u>	<u>4,303,605</u>	<u>15,324</u>	<u>21,146</u>	<u>4,875</u>
(227,845)	1,402,105	(159,349)	(118,806)	5,302	19,536	(4,875)
155,422	0	207,716	0	0	0	0
<u>(155,422)</u>	<u>0</u>	<u>(2,399)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>205,317</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(227,845)	1,402,105	45,968	(118,806)	5,302	19,536	(4,875)
<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>\$ 146,273</u>	<u>\$ 4,885,772</u>	<u>\$ 384,137</u>	<u>\$ 199,308</u>	<u>\$ (88)</u>	<u>\$ 2,181</u>	<u>\$ 0</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, 2006***

	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	18,695	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
State Sources	106,424	186,955	16,800	0	186,000
Federal Sources	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenue	106,424	205,650	16,800	0	186,000
Expenditures:					
Current:					
Instruction	0	16,363	0	0	0
Support Services	79,935	217,447	12,842	2	186,000
Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	79,935	233,810	12,842	2	186,000
Excess (Deficiency) of Revenues Over Expenditures	26,489	(28,160)	3,958	(2)	0
Other Financing Sources (Uses):					
Transfers In	0	18,276	0	0	0
Transfers Out	0	(18,276)	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	26,489	(28,160)	3,958	(2)	0
Fund Balances (Deficit) at Beginning of Year	22,062	16,460	0	2	0
Fund Balances (Deficit) End of Year	\$ 48,551	\$ (11,700)	\$ 3,958	\$ 0	\$ 0

TOLEDO CITY SCHOOL DISTRICT

SchoolNet Professional Development	Ohio Reads Grant	Student Intervention	Vocational Education Enhancement	Alternative Schools	Poverty Based Assistance	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
12,500	339,079	0	86,081	413,047	22,475,729	443,529
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>12,500</u>	<u>339,079</u>	<u>0</u>	<u>86,081</u>	<u>413,047</u>	<u>22,475,729</u>	<u>443,529</u>
0	161,257	31,351	32,689	272,810	20,344,339	197,546
12,137	108,708	0	68,953	133,590	1,874,378	353,893
0	1,007	0	0	0	271,047	0
0	0	0	0	0	0	0
<u>12,137</u>	<u>270,972</u>	<u>31,351</u>	<u>101,642</u>	<u>406,400</u>	<u>22,489,764</u>	<u>551,439</u>
363	68,107	(31,351)	(15,561)	6,647	(14,035)	(107,910)
0	0	0	0	0	351,863	0
0	0	0	0	0	0	0
0	0	0	0	0	351,863	0
363	68,107	(31,351)	(15,561)	6,647	337,828	(107,910)
<u>1,662</u>	<u>(58,832)</u>	<u>31,351</u>	<u>(709)</u>	<u>(45,512)</u>	<u>(3,109,150)</u>	<u>124,067</u>
<u>\$ 2,025</u>	<u>\$ 9,275</u>	<u>\$ 0</u>	<u>\$ (16,270)</u>	<u>\$ (38,865)</u>	<u>\$ (2,771,322)</u>	<u>\$ 16,157</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, 2006**

	Adult Basic Education	Title I Migrant Education	Special Education Handicapped	Vocational Education	Title VII Bilingual Education Program
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
State Sources	0	0	0	0	0
Federal Sources	612,795	13,427	7,494,355	1,043,161	71,906
Miscellaneous Revenue	0	0	0	0	0
Total Revenue	612,795	13,427	7,494,355	1,043,161	71,906
Expenditures:					
Current:					
Instruction	631,755	16,404	3,152,746	270,270	100,351
Support Services	71,111	469	5,000,510	880,520	3,041
Non-Instructional Services	0	0	212,174	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	702,866	16,873	8,365,430	1,150,790	103,392
Excess (Deficiency) of Revenues Over Expenditures	(90,071)	(3,446)	(871,075)	(107,629)	(31,486)
Other Financing Sources (Uses):					
Transfers In	0	2,202	0	0	15,020
Transfers Out	0	(2,202)	0	0	(15,020)
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(90,071)	(3,446)	(871,075)	(107,629)	(31,486)
Fund Balances (Deficit) at Beginning of Year	20,883	695	98,011	(236,659)	42,049
Fund Balances (Deficit) End of Year	\$ (69,188)	\$ (2,751)	\$ (773,064)	\$ (344,288)	\$ 10,563

TOLEDO CITY SCHOOL DISTRICT

Chapter I	Title V - Innovative Education	Drug Free School Grants	Preschool Grants for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,196,205
0	0	0	0	0	0	1,327,844
0	0	0	0	0	0	292,175
0	0	0	0	0	0	1,975,570
0	0	0	0	0	0	1,519,804
0	0	0	0	0	0	199,227
0	0	0	0	0	0	29,260,003
15,557,238	384,415	506,517	210,576	5,660,750	3,348,223	41,392,351
0	0	0	0	0	0	2,537,450
<u>15,557,238</u>	<u>384,415</u>	<u>506,517</u>	<u>210,576</u>	<u>5,660,750</u>	<u>3,348,223</u>	<u>79,700,629</u>
10,364,812	420,492	9,108	8,163	3,247,609	1,776,649	43,456,527
6,363,668	52,120	342,686	267,539	1,626,962	1,796,623	22,245,925
814,491	13,421	3,171	0	3,534	202,838	16,541,572
0	0	0	0	0	0	1,575,203
<u>17,542,971</u>	<u>486,033</u>	<u>354,965</u>	<u>275,702</u>	<u>4,878,105</u>	<u>3,776,110</u>	<u>83,819,227</u>
(1,985,733)	(101,618)	151,552	(65,126)	782,645	(427,887)	(4,118,598)
57,691	10,270	3,828	0	40,372	203,472	3,362,804
<u>(57,691)</u>	<u>(17,286)</u>	<u>(3,828)</u>	<u>0</u>	<u>(33,356)</u>	<u>(203,472)</u>	<u>(547,804)</u>
0	(7,016)	0	0	7,016	0	2,815,000
(1,985,733)	(108,634)	151,552	(65,126)	789,661	(427,887)	(1,303,598)
396,986	23,774	(183,009)	(10,871)	(1,186,799)	54,957	1,131,103
<u>\$ (1,588,747)</u>	<u>\$ (84,860)</u>	<u>\$ (31,457)</u>	<u>\$ (75,997)</u>	<u>\$ (397,138)</u>	<u>\$ (372,930)</u>	<u>\$ (172,495)</u>

TOLEDO CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006**

	Locally Funded Initiative	SchoolNet	Tele- community	Special Capital Projects	Total Nonmajor Capital Projects Funds
Assets:					
Cash and Cash Equivalents	\$ 9,928,887	\$ 310,060	\$ 180,772	\$ 140,776	\$ 10,560,495
Interest	85,814	0	0	0	85,814
Total Assets	\$ 10,014,701	\$ 310,060	\$ 180,772	\$ 140,776	\$ 10,646,309
Liabilities:					
Accounts Payable	\$ 6,412,940	\$ 240,315	\$ 45,840	\$ 0	\$ 6,699,095
Accrued Wages and Benefits	0	0	2,653	0	2,653
Intergovernmental Payable	0	0	1,774	0	1,774
Total Liabilities	6,412,940	240,315	50,267	0	6,703,522
Fund Balances:					
Reserved for Encumbrances	0	0	9,552	0	9,552
Unreserved, Undesignated in:					
Capital Projects Funds	3,601,761	69,745	120,953	140,776	3,933,235
Total Fund Balances	3,601,761	69,745	130,505	140,776	3,942,787
Total Liabilities and Fund Balances	\$ 10,014,701	\$ 310,060	\$ 180,772	\$ 140,776	\$ 10,646,309

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, 2006**

	Locally Funded Initiative	SchoolNet	Tele- community	Special Capital Projects	Total Nonmajor Capital Projects Funds
Revenues:					
Investment Earnings	\$ 508,111	\$ 0	\$ 0	\$ 0	\$ 508,111
State Sources	0	318,976	258,538	0	577,514
Total Revenue	<u>508,111</u>	<u>318,976</u>	<u>258,538</u>	<u>0</u>	<u>1,085,625</u>
Expenditures:					
Current:					
Instruction	0	0	2,676	0	2,676
Supporting Services	196,377	249,231	125,357	0	570,965
Capital Outlay	7,680,963	0	0	230,226	7,911,189
Debt Service:					
Interest and Fiscal Charges	38,975	0	0	0	38,975
Total Expenditures	<u>7,916,315</u>	<u>249,231</u>	<u>128,033</u>	<u>230,226</u>	<u>8,523,805</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,408,204)	69,745	130,505	(230,226)	(7,438,180)
Other Financing Sources (Uses):					
Net Change in Fund Balance	(7,408,204)	69,745	130,505	(230,226)	(7,438,180)
Fund Balances at Beginning of Year	<u>11,009,965</u>	<u>0</u>	<u>0</u>	<u>371,002</u>	<u>11,380,967</u>
Fund Balances End of Year	<u>\$ 3,601,761</u>	<u>\$ 69,745</u>	<u>\$ 130,505</u>	<u>\$ 140,776</u>	<u>\$ 3,942,787</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 307,267,648</u>	<u>\$ 303,112,024</u>	<u>\$ 305,427,282</u>	<u>\$ 2,315,258</u>
Total Expenditures and Other Financing Uses	<u>297,370,525</u>	<u>323,240,533</u>	<u>319,539,836</u>	<u>3,700,697</u>
Net Change in Fund Balances	9,897,123	(20,128,509)	(14,112,554)	6,015,955
Fund Balance at Beginning of Year	11,560,421	11,560,421	11,560,421	0
Prior Year Encumbrances	<u>10,546,147</u>	<u>10,546,147</u>	<u>10,546,147</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,003,691</u>	<u>\$ 1,978,059</u>	<u>\$ 7,994,014</u>	<u>\$ 6,015,955</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,880,006</u>	<u>\$ 13,031,876</u>	<u>\$ 13,292,468</u>	<u>\$ 260,592</u>
Total Expenditures and Other Financing Uses	<u>10,657,837</u>	<u>10,609,530</u>	<u>10,609,530</u>	<u>0</u>
Net Change in Fund Balances	2,222,169	2,422,346	2,682,938	260,592
Fund Balance at Beginning of Year	<u>4,402,233</u>	<u>4,402,233</u>	<u>4,402,233</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,624,402</u>	<u>\$ 6,824,579</u>	<u>\$ 7,085,171</u>	<u>\$ 260,592</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, 2006***

	PERMANENT IMPROVEMENT 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>\$ 2,701,750</u>	<u>\$ 6,356,500</u>	<u>\$ 5,472,241</u>	<u>\$ (884,259)</u>
Total Expenditures and Other Financing Uses	<u>8,690,528</u>	<u>9,891,584</u>	<u>9,891,582</u>	<u>2</u>
Net Change in Fund Balances	(5,988,778)	(3,535,084)	(4,419,341)	(884,257)
Fund Balance at Beginning of Year	3,910,777	3,910,777	3,910,777	0
Prior Year Encumbrances	<u>3,357,778</u>	<u>3,357,778</u>	<u>3,357,778</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,279,777</u>	<u>\$ 3,733,471</u>	<u>\$ 2,849,214</u>	<u>\$ (884,257)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 140,530,443</u>	<u>\$ 540,111,669</u>	<u>\$ 231,886,032</u>	<u>\$ (308,225,637)</u>
Total Expenditures and Other Financing Uses	<u>320,466,098</u>	<u>343,870,416</u>	<u>343,870,409</u>	<u>7</u>
Net Change in Fund Balances	(179,935,655)	196,241,253	(111,984,377)	(308,225,630)
Fund Balance at Beginning of Year	123,852,767	123,852,767	123,852,767	0
Prior Year Encumbrances	<u>56,082,889</u>	<u>56,082,889</u>	<u>56,082,889</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 376,176,909</u>	<u>\$ 67,951,279</u>	<u>\$ (308,225,630)</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, 2006***

	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>\$ 11,147,009</u>	<u>\$ 11,215,245</u>	<u>\$ 10,728,866</u>	<u>\$ (486,379)</u>
Total Expenditures and Other Financing Uses	<u>11,086,408</u>	<u>10,774,735</u>	<u>10,774,732</u>	<u>3</u>
Net Change in Fund Balances	60,601	440,510	(45,866)	(486,376)
Fund Balance at Beginning of Year	504	504	504	0
Prior Year Encumbrances	<u>45,867</u>	<u>45,867</u>	<u>45,867</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 106,972</u>	<u>\$ 486,881</u>	<u>\$ 505</u>	<u>\$ (486,376)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,141,534</u>	<u>\$ 1,177,284</u>	<u>\$ 300,898</u>	<u>\$ (876,386)</u>
Total Expenditures and Other Financing Uses	<u>1,210,902</u>	<u>298,922</u>	<u>298,922</u>	<u>0</u>
Net Change in Fund Balances	(69,368)	878,362	1,976	(876,386)
Fund Balance at Beginning of Year	27,396	27,396	27,396	0
Prior Year Encumbrances	<u>41,972</u>	<u>41,972</u>	<u>41,972</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 947,730</u>	<u>\$ 71,344</u>	<u>\$ (876,386)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 689,105</u>	<u>\$ 731,867</u>	<u>\$ 281,445</u>	<u>\$ (450,422)</u>
Total Expenditures and Other Financing Uses	<u>859,764</u>	<u>299,656</u>	<u>299,656</u>	<u>0</u>
Net Change in Fund Balances	(170,659)	432,211	(18,211)	(450,422)
Fund Balance at Beginning of Year	191,506	191,506	191,506	0
Prior Year Encumbrances	<u>21,239</u>	<u>21,239</u>	<u>21,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,086</u>	<u>\$ 644,956</u>	<u>\$ 194,534</u>	<u>\$ (450,422)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 2,060,359</u>	<u>\$ 1,960,411</u>	<u>\$ 1,788,007</u>	<u>\$ (172,404)</u>
Total Expenditures and Other Financing Uses	<u>2,076,236</u>	<u>1,827,732</u>	<u>1,827,732</u>	<u>0</u>
Net Change in Fund Balances	(15,877)	132,679	(39,725)	(172,404)
Fund Balance at Beginning of Year	145,893	145,893	145,893	0
Prior Year Encumbrances	<u>39,232</u>	<u>39,232</u>	<u>39,232</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 169,248</u>	<u>\$ 317,804</u>	<u>\$ 145,400</u>	<u>\$ (172,404)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,493,515</u>	<u>\$ 3,599,015</u>	<u>\$ 1,117,039</u>	<u>\$ (2,481,976)</u>
Total Expenditures and Other Financing Uses	<u>4,343,796</u>	<u>1,246,595</u>	<u>1,246,595</u>	<u>0</u>
Net Change in Fund Balances	(850,281)	2,352,420	(129,556)	(2,481,976)
Fund Balance at Beginning of Year	746,381	746,381	746,381	0
Prior Year Encumbrances	<u>113,897</u>	<u>113,897</u>	<u>113,897</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,997</u>	<u>\$ 3,212,698</u>	<u>\$ 730,722</u>	<u>\$ (2,481,976)</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, 2006***

	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>\$ 4,714,838</u>	<u>\$ 4,480,296</u>	<u>\$ 2,446,767</u>	<u>\$ (2,033,529)</u>
Total Expenditures and Other Financing Uses	<u>5,107,091</u>	<u>2,692,540</u>	<u>2,692,540</u>	<u>0</u>
Net Change in Fund Balances	(392,253)	1,787,756	(245,773)	(2,033,529)
Fund Balance at Beginning of Year	312,221	312,221	312,221	0
Prior Year Encumbrances	<u>83,671</u>	<u>83,671</u>	<u>83,671</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,639</u>	<u>\$ 2,183,648</u>	<u>\$ 150,119</u>	<u>\$ (2,033,529)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,449,500</u>	<u>\$ 1,461,500</u>	<u>\$ 1,529,650</u>	<u>\$ 68,150</u>
Total Expenditures and Other Financing Uses	<u>2,666,058</u>	<u>112,467</u>	<u>112,467</u>	<u>0</u>
Net Change in Fund Balances	(1,216,558)	1,349,033	1,417,183	68,150
Fund Balance at Beginning of Year	3,313,623	3,313,623	3,313,623	0
Prior Year Encumbrances	<u>9,800</u>	<u>9,800</u>	<u>9,800</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,106,865</u>	<u>\$ 4,672,456</u>	<u>\$ 4,740,606</u>	<u>\$ 68,150</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,886,841</u>	<u>\$ 1,952,741</u>	<u>\$ 856,392</u>	<u>\$ (1,096,349)</u>
Total Expenditures and Other Financing Uses	<u>2,267,973</u>	<u>878,400</u>	<u>878,398</u>	<u>2</u>
Net Change in Fund Balances	(381,132)	1,074,341	(22,006)	(1,096,347)
Fund Balance at Beginning of Year	335,876	335,876	335,876	0
Prior Year Encumbrances	<u>50,257</u>	<u>50,257</u>	<u>50,257</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,001</u>	<u>\$ 1,460,474</u>	<u>\$ 364,127</u>	<u>\$ (1,096,347)</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, 2006***

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>\$ 4,161,771</u>	<u>\$ 4,163,750</u>	<u>\$ 4,334,053</u>	<u>\$ 170,303</u>
Total Expenditures and Other Financing Uses	<u>5,895,022</u>	<u>5,456,064</u>	<u>5,456,054</u>	<u>10</u>
Net Change in Fund Balances	(1,733,251)	(1,292,314)	(1,122,001)	170,313
Fund Balance at Beginning of Year	592,969	592,969	592,969	0
Prior Year Encumbrances	<u>1,140,282</u>	<u>1,140,282</u>	<u>1,140,282</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 440,937</u>	<u>\$ 611,250</u>	<u>\$ 170,313</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 20,626</u>	<u>\$ 26,331</u>	<u>\$ 20,942</u>	<u>\$ (5,389)</u>
Total Expenditures and Other Financing Uses	<u>15,237</u>	<u>20,942</u>	<u>20,942</u>	<u>0</u>
Net Change in Fund Balances	5,389	5,389	0	(5,389)
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><u>\$ 5,389</u></u>	<u><u>\$ 5,389</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (5,389)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>39,401</u>	<u>80,083</u>	<u>40,682</u>	<u>(39,401)</u>
Total Expenditures and Other Financing Uses	<u>47,613</u>	<u>87,378</u>	<u>87,378</u>	<u>0</u>
Net Change in Fund Balances	(8,212)	(7,295)	(46,696)	(39,401)
Fund Balance at Beginning of Year	3	3	3	0
Prior Year Encumbrances	<u>47,613</u>	<u>47,613</u>	<u>47,613</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 39,404</u>	<u>\$ 40,321</u>	<u>\$ 920</u>	<u>\$ (39,401)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,384</u>	<u>\$ 22,901</u>	<u>\$ 12,384</u>	<u>\$ (10,517)</u>
Total Expenditures and Other Financing Uses	<u>21,681</u>	<u>32,200</u>	<u>32,200</u>	<u>0</u>
Net Change in Fund Balances	(9,297)	(9,299)	(19,816)	(10,517)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>19,814</u>	<u>19,814</u>	<u>19,814</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,519</u>	<u>\$ 10,517</u>	<u>\$ 0</u>	<u>\$ (10,517)</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, 2006***

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>\$ 43,568</u>	<u>\$ 128,388</u>	<u>\$ 106,424</u>	<u>\$ (21,964)</u>
Total Expenditures and Other Financing Uses	<u>74,881</u>	<u>82,406</u>	<u>82,404</u>	<u>2</u>
Net Change in Fund Balances	(31,313)	45,982	24,020	(21,962)
Fund Balance at Beginning of Year	29,422	29,422	29,422	0
Prior Year Encumbrances	<u>1,891</u>	<u>1,891</u>	<u>1,891</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 77,295</u>	<u>\$ 55,333</u>	<u>\$ (21,962)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 225,313</u>	<u>\$ 230,823</u>	<u>\$ 232,246</u>	<u>\$ 1,423</u>
Total Expenditures and Other Financing Uses	<u>257,225</u>	<u>257,765</u>	<u>257,764</u>	<u>1</u>
Net Change in Fund Balances	(31,912)	(26,942)	(25,518)	1,424
Fund Balance at Beginning of Year	26,396	26,396	26,396	0
Prior Year Encumbrances	<u>5,518</u>	<u>5,518</u>	<u>5,518</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 4,972</u>	<u>\$ 6,396</u>	<u>\$ 1,424</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, 2006***

	<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>\$ 16,800</u>	<u>\$ 16,800</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>1,617</u>	<u>1,617</u>	<u>1,617</u>	<u>0</u>
Net Change in Fund Balances	(1,617)	15,183	15,183	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>1,617</u>	<u>1,617</u>	<u>1,617</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 16,800</u>	<u>\$ 16,800</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, 2006***

DISADVANTAGED PUPIL IMPACT AID 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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Net Change in Fund Balances	0	(2)	(2)	0
Fund Balance at Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</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, 2006***

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>\$ 168,000</u>	<u>\$ 186,000</u>	<u>\$ 186,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>168,000</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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</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, 2006***

	<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>\$ 12,178</u>	<u>\$ 12,500</u>	<u>\$ 322</u>
Total Expenditures and Other Financing Uses	<u>1,662</u>	<u>12,137</u>	<u>12,137</u>	<u>0</u>
Net Change in Fund Balances	(1,662)	41	363	322
Fund Balance at Beginning of Year	<u>1,662</u>	<u>1,662</u>	<u>1,662</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1,703</u></u>	<u><u>\$ 2,025</u></u>	<u><u>\$ 322</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 313,316</u>	<u>\$ 390,729</u>	<u>\$ 396,324</u>	<u>\$ 5,595</u>
Total Expenditures and Other Financing Uses	<u>413,124</u>	<u>451,606</u>	<u>451,606</u>	<u>0</u>
Net Change in Fund Balances	(99,808)	(60,877)	(55,282)	5,595
Fund Balance at Beginning of Year	81,461	81,461	81,461	0
Prior Year Encumbrances	<u>46,297</u>	<u>46,297</u>	<u>46,297</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,950</u>	<u>\$ 66,881</u>	<u>\$ 72,476</u>	<u>\$ 5,595</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 100,192</u>	<u>\$ 186,377</u>	<u>\$ 100,192</u>	<u>\$ (86,185)</u>
Total Expenditures and Other Financing Uses	<u>365,527</u>	<u>448,712</u>	<u>448,711</u>	<u>1</u>
Net Change in Fund Balances	(265,335)	(262,335)	(348,519)	(86,184)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>348,517</u>	<u>348,517</u>	<u>348,517</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 83,184</u>	<u>\$ 86,184</u>	<u>\$ 0</u>	<u>\$ (86,184)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 68,817</u>	<u>\$ 105,313</u>	<u>\$ 103,389</u>	<u>\$ (1,924)</u>
Total Expenditures and Other Financing Uses	<u>79,338</u>	<u>115,556</u>	<u>115,555</u>	<u>1</u>
Net Change in Fund Balances	(10,521)	(10,243)	(12,166)	(1,923)
Fund Balance at Beginning of Year	3,845	3,845	3,845	0
Prior Year Encumbrances	<u>8,667</u>	<u>8,667</u>	<u>8,667</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,991</u>	<u>\$ 2,269</u>	<u>\$ 346</u>	<u>\$ (1,923)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 436,047</u>	<u>\$ 436,047</u>	<u>\$ 413,047</u>	<u>\$ (23,000)</u>
Total Expenditures and Other Financing Uses	<u>452,942</u>	<u>423,159</u>	<u>423,159</u>	<u>0</u>
Net Change in Fund Balances	(16,895)	12,888	(10,112)	(23,000)
Fund Balance at Beginning of Year	4,116	4,116	4,116	0
Prior Year Encumbrances	<u>12,781</u>	<u>12,781</u>	<u>12,781</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 29,785</u>	<u>\$ 6,785</u>	<u>\$ (23,000)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 20,295,590</u>	<u>\$ 22,827,592</u>	<u>\$ 22,827,592</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>20,295,590</u>	<u>22,827,587</u>	<u>22,827,587</u>	<u>0</u>
Net Change in Fund Balances	0	5	5	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>\$ 5</u>	<u>\$ 5</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 205,265</u>	<u>\$ 450,755</u>	<u>\$ 446,393</u>	<u>\$ (4,362)</u>
Total Expenditures and Other Financing Uses	<u>558,522</u>	<u>804,013</u>	<u>804,013</u>	<u>0</u>
Net Change in Fund Balances	(353,257)	(353,258)	(357,620)	(4,362)
Fund Balance at Beginning of Year	59,679	59,679	59,679	0
Prior Year Encumbrances	<u>337,000</u>	<u>337,000</u>	<u>337,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 43,422</u>	<u>\$ 43,421</u>	<u>\$ 39,059</u>	<u>\$ (4,362)</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, 2006***

ADULT BASIC EDUCATION 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>\$ 793,197</u>	<u>\$ 835,578</u>	<u>\$ 760,156</u>	<u>\$ (75,422)</u>
Total Expenditures and Other Financing Uses	<u>782,638</u>	<u>813,154</u>	<u>813,153</u>	<u>1</u>
Net Change in Fund Balances	10,559	22,424	(52,997)	(75,421)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>54,619</u>	<u>54,619</u>	<u>54,619</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 65,180</u>	<u>\$ 77,045</u>	<u>\$ 1,624</u>	<u>\$ (75,421)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 18,772</u>	<u>\$ 19,292</u>	<u>\$ 17,911</u>	<u>\$ (1,381)</u>
Total Expenditures and Other Financing Uses	<u>22,584</u>	<u>21,723</u>	<u>21,723</u>	<u>0</u>
Net Change in Fund Balances	(3,812)	(2,431)	(3,812)	(1,381)
Fund Balance at Beginning of Year	2,207	2,207	2,207	0
Prior Year Encumbrances	<u>1,607</u>	<u>1,607</u>	<u>1,607</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 1,383</u>	<u>\$ 2</u>	<u>\$ (1,381)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 12,022,968</u>	<u>\$ 11,976,172</u>	<u>\$ 7,651,251</u>	<u>\$ (4,324,921)</u>
Total Expenditures and Other Financing Uses	<u>13,259,046</u>	<u>8,887,318</u>	<u>8,887,317</u>	<u>1</u>
Net Change in Fund Balances	(1,236,078)	3,088,854	(1,236,066)	(4,324,920)
Fund Balance at Beginning of Year	557,185	557,185	557,185	0
Prior Year Encumbrances	<u>678,897</u>	<u>678,897</u>	<u>678,897</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4</u>	<u>\$ 4,324,936</u>	<u>\$ 16</u>	<u>\$ (4,324,920)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,342,085</u>	<u>\$ 1,397,474</u>	<u>\$ 1,283,158</u>	<u>\$ (114,316)</u>
Total Expenditures and Other Financing Uses	<u>1,525,115</u>	<u>1,580,508</u>	<u>1,580,506</u>	<u>2</u>
Net Change in Fund Balances	(183,030)	(183,034)	(297,348)	(114,314)
Fund Balance at Beginning of Year	7,664	7,664	7,664	0
Prior Year Encumbrances	<u>292,356</u>	<u>292,356</u>	<u>292,356</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 116,990</u>	<u>\$ 116,986</u>	<u>\$ 2,672</u>	<u>\$ (114,314)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 188,223</u>	<u>\$ 236,035</u>	<u>\$ 170,149</u>	<u>\$ (65,886)</u>
Total Expenditures and Other Financing Uses	<u>208,567</u>	<u>248,221</u>	<u>248,220</u>	<u>1</u>
Net Change in Fund Balances	(20,344)	(12,186)	(78,071)	(65,885)
Fund Balance at Beginning of Year	1,033	1,033	1,033	0
Prior Year Encumbrances	<u>86,231</u>	<u>86,231</u>	<u>86,231</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 66,920</u>	<u>\$ 75,078</u>	<u>\$ 9,193</u>	<u>\$ (65,885)</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, 2006***

	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>\$ 21,924,234</u>	<u>\$ 21,247,553</u>	<u>\$ 16,104,419</u>	<u>\$ (5,143,134)</u>
Total Expenditures and Other Financing Uses	<u>24,718,315</u>	<u>18,896,954</u>	<u>18,896,952</u>	<u>2</u>
Net Change in Fund Balances	(2,794,081)	2,350,599	(2,792,533)	(5,143,132)
Fund Balance at Beginning of Year	1,653,456	1,653,456	1,653,456	0
Prior Year Encumbrances	<u>1,192,690</u>	<u>1,192,690</u>	<u>1,192,690</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,065</u>	<u>\$ 5,196,745</u>	<u>\$ 53,613</u>	<u>\$ (5,143,132)</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, 2006***

TITLE V - INNOVATIVE EDUCATION 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>\$ 546,316</u>	<u>\$ 545,613</u>	<u>\$ 426,636</u>	<u>\$ (118,977)</u>
Total Expenditures and Other Financing Uses	<u>638,655</u>	<u>518,974</u>	<u>518,974</u>	<u>0</u>
Net Change in Fund Balances	(92,339)	26,639	(92,338)	(118,977)
Fund Balance at Beginning of Year	51,503	51,503	51,503	0
Prior Year Encumbrances	<u>40,836</u>	<u>40,836</u>	<u>40,836</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 118,978</u>	<u>\$ 1</u>	<u>\$ (118,977)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 552,185</u>	<u>\$ 671,089</u>	<u>\$ 519,094</u>	<u>\$ (151,995)</u>
Total Expenditures and Other Financing Uses	<u>413,152</u>	<u>532,055</u>	<u>532,055</u>	<u>0</u>
Net Change in Fund Balances	139,033	139,034	(12,961)	(151,995)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>12,962</u>	<u>12,962</u>	<u>12,962</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 151,997</u>	<u>\$ 151,998</u>	<u>\$ 3</u>	<u>\$ (151,995)</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, 2006***

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>\$ 290,373</u>	<u>\$ 304,848</u>	<u>\$ 271,792</u>	<u>\$ (33,056)</u>
Total Expenditures and Other Financing Uses	<u>310,247</u>	<u>291,667</u>	<u>291,667</u>	<u>0</u>
Net Change in Fund Balances	(19,874)	13,181	(19,875)	(33,056)
Fund Balance at Beginning of Year	4,390	4,390	4,390	0
Prior Year Encumbrances	<u>15,486</u>	<u>15,486</u>	<u>15,486</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 33,057</u>	<u>\$ 1</u>	<u>\$ (33,056)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 7,794,700</u>	<u>\$ 8,118,470</u>	<u>\$ 5,712,407</u>	<u>\$ (2,406,063)</u>
Total Expenditures and Other Financing Uses	<u>8,111,523</u>	<u>7,115,937</u>	<u>7,115,936</u>	<u>1</u>
Net Change in Fund Balances	(316,823)	1,002,533	(1,403,529)	(2,406,062)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	<u>1,403,528</u>	<u>1,403,528</u>	<u>1,403,528</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,086,707</u>	<u>\$ 2,406,063</u>	<u>\$ 1</u>	<u>\$ (2,406,062)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 5,732,953</u>	<u>\$ 5,912,662</u>	<u>\$ 3,891,796</u>	<u>\$ (2,020,866)</u>
Total Expenditures and Other Financing Uses	<u>6,587,084</u>	<u>4,946,297</u>	<u>4,946,297</u>	<u>0</u>
Net Change in Fund Balances	(854,131)	966,365	(1,054,501)	(2,020,866)
Fund Balance at Beginning of Year	312,124	312,124	312,124	0
Prior Year Encumbrances	<u>785,621</u>	<u>785,621</u>	<u>785,621</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 243,614</u>	<u>\$ 2,064,110</u>	<u>\$ 43,244</u>	<u>\$ (2,020,866)</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,128,985</u>	<u>\$ 554,209</u>	<u>\$ 590,441</u>	<u>\$ 36,232</u>
Total Expenditures and Other Financing Uses	<u>16,049,183</u>	<u>11,194,294</u>	<u>11,194,294</u>	<u>0</u>
Net Change in Fund Balances	(14,920,198)	(10,640,085)	(10,603,853)	36,232
Fund Balance at Beginning of Year	10,432,519	10,432,519	10,432,519	0
Prior Year Encumbrances	<u>4,487,681</u>	<u>4,487,681</u>	<u>4,487,681</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 4,280,115</u>	<u>\$ 4,316,347</u>	<u>\$ 36,232</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, 2006***

	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>\$ 318,976</u>	<u>\$ 318,976</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>236,765</u>	<u>236,765</u>	<u>0</u>
Net Change in Fund Balances	0	82,211	82,211	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><u>\$ 0</u></u>	<u><u>\$ 82,211</u></u>	<u><u>\$ 82,211</u></u>	<u><u>\$ 0</u></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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 500,000</u>	<u>\$ 258,538</u>	<u>\$ 258,538</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>500,000</u>	<u>133,159</u>	<u>133,159</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>125,379</u>	<u>125,379</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><u>\$ 0</u></u>	<u><u>\$ 125,379</u></u>	<u><u>\$ 125,379</u></u>	<u><u>\$ 0</u></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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 104,374</u>	<u>\$ 398,005</u>	<u>\$ 0</u>	<u>\$ (398,005)</u>
Total Expenditures and Other Financing Uses	<u>672,109</u>	<u>606,572</u>	<u>465,045</u>	<u>141,527</u>
Net Change in Fund Balances	(567,735)	(208,567)	(465,045)	(256,478)
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	<u>605,820</u>	<u>605,820</u>	<u>605,820</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,086</u>	<u>\$ 397,254</u>	<u>\$ 140,776</u>	<u>\$ (256,478)</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, 2006***

	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>\$ 28,599</u>	<u>\$ 28,599</u>	<u>\$ 28,599</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>88,800</u>	<u>30,131</u>	<u>30,131</u>	<u>0</u>
Net Change in Fund Balances	(60,201)	(1,532)	(1,532)	0
Fund Balance at Beginning of Year	814,888	814,888	814,888	0
Prior Year Encumbrances	<u>6,923</u>	<u>6,923</u>	<u>6,923</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 761,610</u>	<u>\$ 820,279</u>	<u>\$ 820,279</u>	<u>\$ 0</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.

Health 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.

Computer Network-Class A Fund

To account for the operations of Class 'A' sites of the computer network of the Department of Education

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, 2006**

	<u>Rotary</u>	<u>Intra-District Services</u>	<u>Health Insurance</u>	<u>Computer Network-Class A</u>
Assets:				
Cash and Cash Equivalents	\$ 1,873	\$ 50,060	\$ 21,656,929	\$ 24,241
Receivables:				
Accounts	0	14,100	7,353	0
Intergovernmental	0	8,668	0	0
Interest	0	0	154,196	0
Materials and Supplies Inventory	0	806,553	0	0
Total Assets	<u>1,873</u>	<u>879,381</u>	<u>21,818,478</u>	<u>24,241</u>
Liabilities:				
Accounts Payable	0	44,613	16,040	0
Accrued Wages and Benefits	0	0	8,254,000	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	107,314	0	0
Total Liabilities	<u>0</u>	<u>151,927</u>	<u>8,270,040</u>	<u>0</u>
Net Assets:				
Unrestricted	1,873	727,454	13,548,438	24,241
Total Net Assets	<u>\$ 1,873</u>	<u>\$ 727,454</u>	<u>\$ 13,548,438</u>	<u>\$ 24,241</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 3,013,781	\$ 24,746,884
0	21,453
0	8,668
17,693	171,889
<u>0</u>	<u>806,553</u>
<u>3,031,474</u>	<u>25,755,447</u>
112,977	173,630
0	8,254,000
1,261,015	1,261,015
<u>0</u>	<u>107,314</u>
<u>1,373,992</u>	<u>9,795,959</u>
<u>1,657,482</u>	<u>15,959,488</u>
<u>\$ 1,657,482</u>	<u>\$ 15,959,488</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, 2006**

	<u>Rotary</u>	<u>Intra-District Services</u>	<u>Health Insurance</u>	<u>Computer Network-Class A</u>
Operating Revenues:				
Interfund Charges	\$ 24,090	\$ 618,614	\$ 47,962,092	\$ 0
Total Operating Revenues	<u>24,090</u>	<u>618,614</u>	<u>47,962,092</u>	<u>0</u>
Operating Expenses:				
Personal Services	0	0	0	0
Purchased Services	0	190,204	39,927,875	33,200
Supplies and Materials	0	253,544	0	0
Miscellaneous	25,442	0	0	0
Total Operating Expenses	<u>25,442</u>	<u>443,748</u>	<u>39,927,875</u>	<u>33,200</u>
Operating Income (Loss)	(1,352)	174,866	8,034,217	(33,200)
Nonoperating Revenue (Expenses):				
Operating Grants	0	0	0	57,441
Investment Earnings	0	0	726,646	0
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>726,646</u>	<u>57,441</u>
Change in Net Assets	(1,352)	174,866	8,760,863	24,241
Net Assets Beginning of Year	<u>3,225</u>	<u>552,588</u>	<u>4,787,575</u>	<u>0</u>
Net Assets End of Year	<u>\$ 1,873</u>	<u>\$ 727,454</u>	<u>\$ 13,548,438</u>	<u>\$ 24,241</u>

TOLEDO CITY SCHOOL DISTRICT

<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
\$ 1,041,018	\$ 49,645,814
<u>1,041,018</u>	<u>49,645,814</u>
2,850,935	2,850,935
40,370	40,191,649
0	253,544
<u>0</u>	<u>25,442</u>
<u>2,891,305</u>	<u>43,321,570</u>
(1,850,287)	6,324,244
0	57,441
<u>129,226</u>	<u>855,872</u>
<u>129,226</u>	<u>913,313</u>
(1,721,061)	7,237,557
<u>3,378,543</u>	<u>8,721,931</u>
<u>\$ 1,657,482</u>	<u>\$ 15,959,488</u>

TOLEDO CITY SCHOOL DISTRICT

***Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006***

	Rotary	Intra- District Services	Health Insurance
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	24,090	612,679	48,110,895
Cash Payments to Employees for Services and Benefits	(25,442)	(663,919)	(40,072,590)
Net Cash Provided (Used) by Operating Activities	<u>(1,352)</u>	<u>(51,240)</u>	<u>8,038,305</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Advances In from Other Funds	0	107,314	0
Advances Out to Other Funds	0	(36,273)	0
Operating Grants	0	0	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>71,041</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	0	664,952
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>664,952</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,352)	19,801	8,703,257
Cash and Cash Equivalents at Beginning of Year	3,225	30,259	12,953,672
Cash and Cash Equivalents at End of Year	<u>\$1,873</u>	<u>\$50,060</u>	<u>\$21,656,929</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u> Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$1,352)	\$174,866	\$8,034,217
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	0	(4,733)	41,996
Increase in Intergovernmental Receivables	0	(8,164)	0
Increase in Inventory	0	(227,986)	0
Increase (Decrease) in Accounts Payable	0	14,777	(805,908)
Increase in Accrued Wages and Benefits	0	0	768,000
Increase in Intergovernmental Payables	0	0	0
Total Adjustments	<u>0</u>	<u>(226,106)</u>	<u>4,088</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$1,352)</u>	<u>(51,240)</u>	<u>\$8,038,305</u>

TOLEDO CITY SCHOOL DISTRICT

Computer Network- Class A	Workers' Compensation	Total
0	1,041,018	\$49,788,682
(33,200)	(2,414,743)	(43,209,894)
(33,200)	(1,373,725)	6,578,788
0	0	107,314
0	0	(36,273)
57,441	0	57,441
57,441	0	128,482
0	151,454	816,406
0	151,454	816,406
24,241	(1,222,271)	7,523,676
0	4,236,052	17,223,208
\$24,241	\$3,013,781	\$24,746,884
(\$33,200)	(\$1,850,287)	\$6,324,244
0	0	37,263
0	0	(8,164)
0	0	(227,986)
0	107,577	(683,554)
0	0	768,000
0	368,985	368,985
0	476,562	254,544
(\$33,200)	(\$1,373,725)	\$6,578,788

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, 2006***

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<u>Pell Grant Fund</u>				
Assets:				
Accounts Receivable	\$1,860	\$1,600	(\$1,860)	\$1,600
Total Assets	<u>\$1,860</u>	<u>\$1,600</u>	<u>(\$1,860)</u>	<u>\$1,600</u>
Liabilities:				
Due to Students	\$1,860	\$1,600	(\$1,860)	\$1,600
Total Liabilities	<u>\$1,860</u>	<u>\$1,600</u>	<u>(\$1,860)</u>	<u>\$1,600</u>
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$511,187	\$658,784	(\$670,398)	\$499,573
Accounts Receivable	7,824	2,605	(7,824)	2,605
Interest Receivable	4,939	6,486	(4,939)	6,486
Total Assets	<u>\$523,950</u>	<u>\$667,875</u>	<u>(\$683,161)</u>	<u>\$508,664</u>
Liabilities:				
Accounts Payable	\$72,795	\$84,805	(\$72,795)	\$84,805
Intergovernmental Payable	2,610	3,375	(2,610)	3,375
Due to Students	448,545	418,327	(448,545)	418,327
Due to Other Funds	0	2,157	0	2,157
Total Liabilities	<u>\$523,950</u>	<u>\$508,664</u>	<u>(\$523,950)</u>	<u>\$508,664</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$511,187	\$658,784	(\$670,398)	\$499,573
Accounts Receivable	9,684	4,205	(9,684)	4,205
Interest Receivable	4,939	6,486	(4,939)	6,486
Total Assets	<u>\$525,810</u>	<u>\$669,475</u>	<u>(\$685,021)</u>	<u>\$510,264</u>
Liabilities:				
Accounts Payable	\$72,795	\$84,805	(\$72,795)	\$84,805
Intergovernmental Payable	2,610	3,375	(2,610)	3,375
Due to Students	450,405	419,927	(450,405)	419,927
Due to Other Funds	0	2,157	0	2,157
Total Liabilities	<u>\$525,810</u>	<u>\$510,264</u>	<u>(\$525,810)</u>	<u>\$510,264</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, 2006***

<u>Capital Assets</u>	
Land	\$13,828,931
Construction in Progress	84,155,458
Land Improvements	8,879,954
Buildings	91,883,794
Building Improvements	42,568,770
Machinery and Equipment	8,914,300
Vehicles	9,499,988
Total Capital Assets	<u>\$259,731,195</u>
 <u>Investment in Capital Assets from:</u>	
General Fund	\$8,547,499
Special Revenue Funds	22,754,223
Capital Project Funds	228,376,618
Trust Funds	52,855
Total Capital Assets	<u>\$259,731,195</u>

TOLEDO CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2006***

	<u>Instruction</u>	<u>Administration</u>	<u>Operation and Maintenance of Plant Services</u>	<u>Trasnportation Services</u>
Land	\$13,317,073	\$111,367	\$264,653	\$60,122
Construction in Progress	84,155,458	0	0	0
Land Improvements	7,920,674	96,000	147,300	524,300
Buildings	88,599,054	1,028,140	1,375,380	34,362
Building Improvements	35,868,938	0	127,245	172,715
Machinery and Equipment	1,422,417	3,690,836	2,212,966	42,700
Vehicles	372,412	0	1,575,448	7,552,128
Total Cost	<u>\$231,656,026</u>	<u>\$4,926,343</u>	<u>\$5,702,992</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	\$13,828,931
0	0	84,155,458
51,459	140,221	8,879,954
0	846,858	91,883,794
3,199,962	3,199,910	42,568,770
1,261,155	284,226	8,914,300
0	0	9,499,988
<u>\$4,588,292</u>	<u>\$4,471,215</u>	<u>\$259,731,195</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, 2006***

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
Instruction	\$168,107,532	\$81,521,783	\$17,973,289	\$231,656,026
Administration	8,498,596	1,959,335	5,531,588	4,926,343
Operation and Maintenance of Plant Services	5,176,312	526,680	0	5,702,992
Transportation Services	8,386,327	0	0	8,386,327
Non-Instructional Services	4,643,642	33,350	88,700	4,588,292
Extracurricular Activities	<u>5,204</u>	<u>4,466,011</u>	<u>0</u>	<u>4,471,215</u>
Total	<u>\$194,817,613</u>	<u>\$88,507,159</u>	<u>\$23,593,577</u>	<u>\$259,731,195</u>

STATISTICAL SECTION



STATISTICAL TABLES

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 12 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax and the sales tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Toledo Public School District

*Net Assets by Component
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$45,465,322	\$47,320,939	\$46,451,090
Restricted for:			
Capital Projects	4,952,379	8,027,026	602,514,840
Debt Service	95,283	6,902,023	7,914,287
Permanent Funds:			
Expendable	341,106	345,762	328,848
Nonexpendable	502,291	502,291	502,291
Other Purposes	10,919,141	0	12,150,959
Unrestricted (Deficit)	<u>(29,442,269)</u>	<u>(39,092,774)</u>	<u>(37,951,094)</u>
Total Governmental Activities Net Assets	<u><u>\$32,833,253</u></u>	<u><u>\$24,005,267</u></u>	<u><u>\$631,911,221</u></u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$45,465,322	\$47,320,939	\$46,451,090
Restricted	16,810,200	15,777,102	623,411,225
Unrestricted (Deficit)	<u>(29,442,269)</u>	<u>(39,092,774)</u>	<u>(37,951,094)</u>
Total Primary Government Net Assets	<u><u>\$32,833,253</u></u>	<u><u>\$24,005,267</u></u>	<u><u>\$631,911,221</u></u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2002.

Toledo Public School District

<u>2005</u>	<u>2006</u>
\$44,598,478	\$48,695,909
583,303,915	513,286,796
5,845,920	8,823,771
313,819	328,736
502,291	502,291
10,644,859	17,127,362
<u>(35,477,065)</u>	<u>(27,004,696)</u>
<u>\$609,732,217</u>	<u>\$561,760,169</u>

\$44,598,478	\$48,695,909
600,610,804	540,068,956
<u>(35,477,065)</u>	<u>(27,004,696)</u>
<u>\$609,732,217</u>	<u>\$561,760,169</u>

Toledo Public School District

*Changes in Net Assets
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004
Expenses			
Governmental Activities			
Instruction	\$202,392,284	\$222,417,618	\$248,417,336
Support Services	135,952,928	141,129,502	134,366,560
Non-Instructional Services	38,211,128	25,122,326	25,815,679
Extracurricular Activities	5,164,782	5,360,012	5,362,388
Interest and Fiscal Charges	56,349	45,506	5,148,505
<i>Total Primary Government Expenses</i>	<u>\$381,777,471</u>	<u>\$394,074,964</u>	<u>\$419,110,468</u>
Program Revenues			
Governmental Activities			
Charges for Services			
Instruction	\$1,582,267	\$2,694,477	\$5,213,123
Support Services	5,565,628	6,118,524	6,121,179
Extracurricular Activities	1,351,554	1,737,914	1,488,661
Operating Grants and Contributions	77,972,317	62,289,833	69,932,639
Capital Grants and Contributions	3,315,612	2,658,608	5,746,926
<i>Total Primary Government Program Revenues</i>	<u>89,787,378</u>	<u>75,499,356</u>	<u>88,502,528</u>
Net (Expense)/Revenue			
Governmental Activities	<u>(291,990,093)</u>	<u>(318,575,608)</u>	<u>(330,607,940)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$291,990,093)</u>	<u>(\$318,575,608)</u>	<u>(\$330,607,940)</u>

Toledo Public School District

<u>2005</u>	<u>2006</u>
\$270,471,446	\$292,680,197
135,099,356	138,761,857
27,827,829	19,816,003
5,262,095	6,333,665
7,162,151	7,229,719
<u>\$445,822,877</u>	<u>\$464,821,441</u>

\$6,691,740	\$3,461,903
5,891,099	9,122,667
4,722,931	3,515,022
63,212,833	72,027,628
1,403,910	577,516
<u>81,922,513</u>	<u>88,704,736</u>

<u>(363,900,364)</u>	<u>(376,116,705)</u>
<u>(\$363,900,364)</u>	<u>(\$376,116,705)</u>

(Continued)

Toledo Public School District

*Changes in Net Assets
Last Five Years
(accrual basis of accounting)*

	2002	2003	2004
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Property Taxes Levied for			
General Purposes	\$103,470,010	\$103,915,412	\$107,245,398
Special Purposes	0	631,432	1,152,249
Debt Service	1,546,765	5,764,724	10,924,204
Capital Outlay	4,661,246	4,364,880	4,244,528
Grants and Entitlements not			
Restricted to Specific Programs	159,082,939	192,462,913	202,381,204
Investment Earnings	2,751,025	2,273,113	2,088,128
Miscellaneous	399,712	329,592	638,024
<i>Total Primary Government</i>	<u>\$271,911,697</u>	<u>\$309,742,066</u>	<u>\$328,673,735</u>
Change in Net Assets			
Governmental Activities	(\$20,078,396)	(\$8,833,542)	(\$1,934,205)
<i>Total Primary Government Change in Net Assets</i>	<u>(\$20,078,396)</u>	<u>(\$8,833,542)</u>	<u>(\$1,934,205)</u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2002.

Toledo Public School District

<u>2005</u>	<u>2006</u>
\$106,736,207	\$104,775,512
1,258,083	1,196,205
11,700,649	11,621,405
4,460,168	4,380,783
210,387,487	197,630,604
5,983,334	8,437,563
1,195,432	102,585
<u>\$341,721,360</u>	<u>\$328,144,657</u>
<u>(\$22,179,004)</u>	<u>(\$47,972,048)</u>
<u>(\$22,179,004)</u>	<u>(\$47,972,048)</u>

Toledo Public School District

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$4,215,508	\$7,818,254	\$9,506,484	\$11,309,434
Unreserved	<u>(9,576,391)</u>	<u>(11,195,146)</u>	<u>(17,106,056)</u>	<u>(13,758,994)</u>
<i>Total General Fund</i>	<u>(5,360,883)</u>	<u>(3,376,892)</u>	<u>(7,599,572)</u>	<u>(2,449,560)</u>
All Other Governmental Funds				
Reserved	3,300,624	7,218,659	5,427,931	2,542,663
Unreserved, Undesignated in:				
Special Revenue Funds	775,578	825,677	833,506	893,472
Debt Service Funds	0	0	0	0
Capital Projects Funds	3,201,038	2,569,357	(2,231,445)	(786,249)
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>7,277,240</u>	<u>10,613,693</u>	<u>4,029,992</u>	<u>2,649,886</u>
<i>Total Governmental Funds</i>	<u><u>\$1,916,357</u></u>	<u><u>\$7,236,801</u></u>	<u><u>(\$3,569,580)</u></u>	<u><u>\$200,326</u></u>

Source: District Treasurer's Office

Toledo Public School District

2001	2002	2003	2004	2005	2006
\$16,359,040	\$18,424,529	\$17,895,690	\$14,681,804	\$16,147,477	\$8,391,654
(1,573,496)	461,475	(20,506,000)	(24,015,732)	(28,005,685)	(20,963,268)
14,785,544	18,886,004	(2,610,310)	(9,333,928)	(11,858,208)	(12,571,614)
4,575,060	4,903,699	22,401,780	24,704,088	61,721,921	11,261,152
6,439,338	4,872,343	(2,482,855)	(3,246,820)	(1,804,134)	(1,438,040)
0	0	0	7,145,076	4,438,435	7,129,305
1,237,199	2,461,875	67,880,801	147,612,524	88,974,476	77,119,622
0	341,106	345,762	328,848	313,819	328,736
12,251,597	12,579,023	88,145,488	176,543,716	153,644,517	94,400,775
\$27,037,141	\$31,465,027	\$85,535,178	\$167,209,788	\$141,786,309	\$81,829,161

Toledo Public School District

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Revenues:				
Taxes	\$92,797,726	\$93,461,102	\$96,615,531	\$95,815,231
Tuition	1,495,021	1,116,020	1,406,207	1,110,982
Transportation Fees	240,554	196,481	188,280	183,229
Food Services	0	0	0	0
Investment Earnings	2,243,925	2,436,039	2,528,080	2,714,972
Extracurricular Activities	1,431,645	1,388,694	1,535,694	1,398,853
Class Materials and Fees	232,217	246,719	236,980	280,162
Intermediate Sources	105,714	96,934	41,843	64,896
Intergovernmental - State	138,679,782	150,286,863	161,290,355	175,451,658
Intergovernmental - Federal	22,136,675	22,778,229	24,310,111	26,299,736
All Other Revenue	2,421,001	4,208,892	2,808,970	9,260,750
Total Revenue	<u>261,784,260</u>	<u>276,215,973</u>	<u>290,962,051</u>	<u>312,580,469</u>
Expenditures:				
Current:				
Instruction	138,619,580	143,605,586	161,296,020	167,628,439
Supporting Services	98,178,789	104,909,300	114,603,603	112,466,023
Non-Instructional Services	12,620,317	15,773,110	13,368,425	16,338,825
Extracurricular Activities	4,001,670	4,015,967	4,126,715	4,161,708
Capital Outlay	4,282,111	281,716	8,744,504	4,421,304
Debt Service:				
Principal Retirement	1,083,411	1,294,946	2,106,304	2,842,359
Interest and Fiscal Charges	376,585	359,710	392,248	455,904
Total Expenditures	<u>259,162,463</u>	<u>270,240,335</u>	<u>304,637,819</u>	<u>308,314,562</u>
Excess (Deficiency) of Revenues Over Expenditures	2,621,797	5,975,638	(13,675,768)	4,265,907
Other Financing Sources (Uses):				
Sale of Capital Assets	27,765	9,467	417,805	0
Premium on Issuance of General Obligation Bonds	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
New Capital Leases	1,062,255	1,023,644	3,947,773	1,048,687
Transfers In	872,103	747,449	997,081	1,164,890
Transfers Out	(2,635,477)	(2,435,754)	(2,493,272)	(2,709,578)
Total Other Financing Sources (Uses)	<u>(673,354)</u>	<u>(655,194)</u>	<u>2,869,387</u>	<u>(496,001)</u>
Net Change in Fund Balance	<u>\$1,948,443</u>	<u>\$5,320,444</u>	<u>(\$10,806,381)</u>	<u>\$3,769,906</u>

Source: District Treasurer's Office

Toledo Public School District

2001	2002	2003	2004	2005	2006
\$101,583,346	\$112,167,580	\$111,319,491	\$116,690,772	\$119,358,742	\$118,721,351
787,750	1,566,401	2,680,188	5,197,293	3,266,058	3,447,124
298,867	349,851	440,793	469,959	502,116	561,991
0	2,335,035	2,438,348	2,355,774	2,061,867	1,975,570
3,381,986	2,334,619	2,049,381	2,078,065	5,955,187	8,344,735
1,377,956	1,600,512	1,577,542	1,546,319	1,592,106	1,519,804
271,571	461,879	454,013	400,782	412,727	378,202
152,107	79,106	52,690	35,239	20,932	0
196,388,112	200,931,402	218,580,096	243,734,658	282,962,791	298,841,914
32,470,513	37,922,340	34,184,344	44,480,898	48,193,022	42,192,049
2,612,668	2,559,583	3,340,754	3,479,842	10,673,605	8,309,077
<u>339,324,876</u>	<u>362,308,308</u>	<u>377,117,640</u>	<u>420,469,601</u>	<u>474,999,153</u>	<u>484,291,817</u>
171,205,309	193,056,559	218,665,625	224,080,604	229,062,862	224,652,834
116,764,832	129,346,979	139,042,662	136,780,343	144,862,597	142,938,752
12,328,547	25,028,179	26,550,266	27,486,263	27,795,462	23,196,032
4,518,128	4,926,855	5,237,784	5,149,254	5,166,323	6,326,677
3,085,717	5,551,521	9,126,013	37,290,845	77,944,609	136,541,555
2,694,798	93,000	93,000	8,393,000	8,293,000	3,240,506
372,531	55,765	419,324	5,769,497	7,297,779	7,357,013
<u>310,969,862</u>	<u>358,058,858</u>	<u>399,134,674</u>	<u>444,949,806</u>	<u>500,422,632</u>	<u>544,253,369</u>
28,355,014	4,249,450	(22,017,034)	(24,480,205)	(25,423,479)	(59,961,552)
12,700	1,180	0	0	0	4,404
0	0	1,627,778	2,554,815	0	0
0	0	72,500,000	103,600,000	0	0
0	0	1,953,851	0	0	0
1,405,649	3,831,716	4,694,436	3,684,025	3,186,555	3,556,661
(2,936,548)	(4,831,716)	(4,694,436)	(3,684,025)	(3,186,555)	(3,556,661)
(1,518,199)	(998,820)	76,081,629	106,154,815	0	4,404
<u>\$26,836,815</u>	<u>\$3,250,630</u>	<u>\$54,064,595</u>	<u>\$81,674,610</u>	<u>(\$25,423,479)</u>	<u>(\$59,957,148)</u>

Toledo Public School District

*Assessed Valuations and Estimated True Values of Taxable Property
(amounts in thousands)
Last Ten Calendar Years*

Tax year	1996	1997	1998	1999	2000
Real Property					
Assessed	\$1,751,799	1,744,976	1,860,408	1,861,928	1,875,031
Actual	5,005,140	4,985,646	5,315,451	5,319,794	5,357,231
Public Utility					
Assessed	265,569	243,656	245,271	237,960	223,891
Actual	265,569	243,656	245,271	237,960	223,891
Tangible Personal Property					
Assessed	329,831	338,850	347,725	353,093	367,785
Actual	1,319,324	1,355,400	1,390,900	1,412,372	1,471,140
Total					
Assessed	2,347,199	2,327,482	2,453,404	2,452,981	2,466,707
Actual	6,590,033	6,584,702	6,951,622	6,970,126	7,052,262
Assessed Value as a Percentage of Actual Value	35.62%	35.35%	35.29%	35.19%	34.98%
Total Direct Tax Rate	\$57.80	\$57.80	\$57.80	\$57.80	\$57.80

Source: Lucas County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Toledo Public School District

2001	2002	2003	2004	2005
2,320,805	2,305,922	2,314,937	2,658,992	2,693,299
6,630,871	6,588,349	6,614,106	7,597,120	7,695,140
225,416	166,114	177,375	152,422	144,678
225,416	166,114	177,375	152,422	144,678
366,623	373,954	345,046	322,160	295,642
1,466,492	1,495,816	1,380,184	1,288,640	1,182,568
2,912,844	2,845,990	2,837,358	3,133,574	3,133,619
8,322,779	8,250,279	8,171,665	9,038,182	9,022,386
35.00%	34.50%	34.72%	34.67%	34.73%
\$63.00	\$63.00	\$68.00	\$67.60	\$67.35

Toledo Public School District

*Property Tax Rates of Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Calendar Years*

	1996	1997	1998	1999	2000
Direct District Rates					
General Fund	55.30	55.30	55.30	55.30	55.30
Permanent Improvement Fund	2.50	2.50	2.50	2.50	2.50
Bond Retirement Fund	0.00	0.00	0.00	0.00	0.00
Total	<u>57.80</u>	<u>57.80</u>	<u>57.80</u>	<u>57.80</u>	<u>57.80</u>
Overlapping Rates					
Townships:					
Harding	3.30	3.30	3.30	3.30	3.30
Spencer	4.50	6.00	6.00	6.00	6.00
Municipalities:					
City of Toledo	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10
Lucas County	<u>17.30</u>	<u>17.35</u>	<u>17.35</u>	<u>17.35</u>	<u>17.35</u>
Total	<u><u>91.40</u></u>	<u><u>92.95</u></u>	<u><u>92.95</u></u>	<u><u>92.95</u></u>	<u><u>92.95</u></u>

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

Source:

Lucas County Auditor's Office
Lucas County Treasurer's Office

Toledo Public School District

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
60.50	60.50	60.50	60.30	60.05
2.50	2.50	3.00	3.00	3.00
0.00	0.00	4.50	4.30	4.30
<u>63.00</u>	<u>63.00</u>	<u>68.00</u>	<u>67.60</u>	<u>67.35</u>
3.30	4.30	3.60	3.30	3.00
6.00	6.00	6.00	6.00	6.00
4.40	4.40	4.40	4.40	4.40
4.10	4.10	4.10	4.10	4.10
<u>17.80</u>	<u>17.45</u>	<u>17.45</u>	<u>18.30</u>	<u>18.00</u>
<u>98.60</u>	<u>99.25</u>	<u>103.55</u>	<u>103.70</u>	<u>102.85</u>



Toledo Public School District

*Principal Taxpayers
Tangible Personal Property Tax
(amounts in thousands)
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Daimler Chrysler	Automotive/Manufacturing	\$17,793	1	6.02%
Block Communications	Newspaper	13,293	2	4.50%
Smucker Bakery Manufacturing	Food Processing	13,177	3	4.46%
Heartland Repack Services	Packaging	7,757	4	2.62%
Libbey, Inc.	Glass Manufacturing	5,599	5	1.89%
International Multifoods, Inc.	Food Processing	5,350	6	1.81%
Johnson Controls	Batteries/Auto Parts	5,321	7	1.80%
Textile Leather Corporation	Vinyl Manufacturing	4,997	8	1.69%
Land O Sun Dairies LLC	Food Processing	3,303	9	1.12%
Kraft Foods - global	Food Processing	3,298	10	1.12%
Subtotal		79,888		27.03%
All Others		215,754		72.97%
Total		\$295,642		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 1996		
		Assessed Value	Rank	Percent of Total Assessed Value
Chrysler Corporation	Automotive/Manufacturing	\$26,807	1	8.12%
General Mills	Food Processor	20,807	2	6.31%
Libbey, Inc.	Glass Manufacturing	12,694	3	3.85%
Blade Communications	Communications	8,634	4	2.62%
Amerisource Corp.	Health Care	5,695	5	1.73%
Seaway Foodtown	Retail Grocery	5,564	6	1.69%
Owens Corning	Fiberglass Manufacturing	5,186	7	1.57%
Textile Leather Corporation	Vinyl Manufacturing	4,675	8	1.42%
Johnson Controls	Batteries/Auto Parts	4,668	9	1.42%
Mercantile Stores Company	Clothing	3,859	10	1.17%
Subtotal		98,589		29.90%
All Others		231,242		70.10%
Total		\$329,831		100.00%

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2005 and 1996

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Toledo Public School District

Principal Taxpayers

Real Estate Tax

(amounts in thousands)

Current Year and Nine Years Ago

Name of Taxpayer	Nature of Business	Calendar Year 2005		
		Assessed Value	Rank	Percent of Total Assessed Value
Owens-Illinois	Fiber Glass/Manufacturing	\$19,250	1	17.22%
St. Vincent Medical Center	Health Care	10,420	2	9.32%
AERC	Realty	7,360	3	6.59%
Dana Corporation	Automotive/Manufacturing	7,101	4	6.35%
S-S-C Company	Manufacturing	5,213	5	4.66%
Steeplechase Developers	Realty	5,212	6	4.66%
Airport Square Investment	Realty	5,145	7	4.60%
Medical College of Ohio	Health Care	4,909	8	4.39%
Four Seagate Associates	Realty	4,795	9	4.29%
Toledo Edison	Electric Distribution	4,421	10	3.96%
Subtotal		73,826		66.04%
All Others		37,936		33.96%
Total		\$111,762		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 1996		
		Assessed Value	Rank	Percent of Total Assessed Value
Toledo Hospital	Hospital	\$10,743	1	13.49%
Medical College of Ohio	Education	8,437	2	10.60%
S-S-C Company	Manufacturing	7,985	3	10.03%
River Tower Limited	Realty	4,560	4	5.73%
Ohio Telephone and Telegraph	Telephone Distribution Svc	4,436	5	5.57%
Countymark Cooperative	Service Industry	4,420	6	5.55%
Teachers Insurance/Annuity Assn	Insurance	4,365	7	5.48%
Subtotal		44,946		56.45%
All Others		34,663		43.55%
Total		\$79,609		100.00%

Source: Lucas County Auditor - Land and Buildings

Based on valuation of property in 2005 and 1996

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Toledo Public School District

*Principal Taxpayers
Public Utilities Tangible Personal Property Tax
(amounts in thousands)
Current Year and Nine Years Ago*

		Calendar Year 2005		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distribution	\$53,975	1	37.31%
Ohio Bell Telephone	Telephone	29,455	2	20.36%
Coulumbia Gas	Natural Gas Distribution	15,970	3	11.04%
	Subtotal	99,400		68.71%
	All Others	45,278		31.29%
	Total	\$144,678		100.00%

		Calendar Year 1996		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Toledo Edison	Electric Distribution	\$138,917	1	52.31%
Ohio Bell Telephone	Telephone	77,629	2	29.23%
Coulumbia Gas	Natural Gas Distribution	48,985	3	18.45%
	Subtotal	265,531		99.99%
	All Others	38		0.01%
	Total	\$265,569		100.00%

Source: Lucas County Auditor - Land and Buildings
Based on valuation of property in 2005 and 1996

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Toledo Public School District

*Property Tax Levies and Collections
(amounts in thousands)
Last Ten Years*

Collection Year	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Tax Levy (1)	\$103,049	\$102,702	\$103,468	\$103,013
Collections within the Fiscal Year of the Levy				
Current Tax Collections (2)	99,083	98,206	100,600	103,607
Percent of Levy Collected	96.15%	95.62%	97.23%	100.58%
Delinquent Tax Collections	<u>4,585</u>	<u>3,875</u>	<u>4,742</u>	<u>4,081</u>
Total Tax Collections	103,668	102,081	105,342	107,688
Percent of Total Tax Collections To Tax Levy	100.60%	99.40%	101.81%	104.54%
Accumulated Outstanding Delinquent Taxes (3)	12,875	13,406	13,406	11,908
Percentage of Accumulated				
Delinquent Taxes to Total Tax Levy	12.49%	13.05%	12.96%	11.56%

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included; December 2005 settlement estimate included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Source: Lucas County Auditor's Office

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Toledo Public School District

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$103,423	\$120,443	\$119,636	\$129,385	\$127,874	\$126,939
99,727	116,838	115,839	122,349	125,522	124,222
96.43%	97.01%	96.83%	94.56%	98.16%	97.86%
<u>3,893</u>	<u>4,688</u>	<u>5,598</u>	<u>6,778</u>	<u>6,563</u>	<u>6,183</u>
103,620	121,526	121,437	129,127	132,085	130,405
100.19%	100.90%	101.51%	99.80%	103.29%	102.73%
10,835	14,173	15,570	16,946	19,187	21,979
10.48%	11.77%	13.01%	13.10%	15.00%	17.31%

Toledo Public School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

	1997	1998	1999	2000
Governmental Activities ⁽¹⁾				
EPA Long-Term Note Payable	\$784,506	\$691,506	\$598,506	\$505,506
General Obligation Bonds Payable	3,640,000	2,795,000	1,910,000	980,000
Capital Leases	0	0	0	0
Total Primary Government	<u>\$4,424,506</u>	<u>\$3,486,506</u>	<u>\$2,508,506</u>	<u>\$1,485,506</u>
Population ⁽²⁾				
City of Toledo	325,767	325,767	325,767	325,767
Outstanding Debt Per Capita	\$14	\$11	\$8	\$5
Income ⁽³⁾				
Personal (in thousands)	8,312,597	8,649,440	8,954,358	9,430,629
Percentage of Personal Income	0.05%	0.04%	0.03%	0.02%

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

N/A = Not available

Toledo Public School District

2001	2002	2003	2004	2005	2006
\$412,506	\$319,506	\$226,506	\$133,506	\$40,506	\$0
0	0	74,127,778	171,679,762	163,339,963	160,000,164
2,888,215	1,606,436	2,040,666	828,655	421,765	221,896
<u>\$3,300,721</u>	<u>\$1,925,942</u>	<u>\$76,394,950</u>	<u>\$172,641,923</u>	<u>\$163,802,234</u>	<u>\$160,222,060</u>
313,619	313,619	313,619	313,619	313,619	313,619
\$11	\$6	\$244	\$550	\$522	\$511
9,354,314	9,535,272	9,654,447	9,964,616	9,856,732	N/A
0.04%	0.02%	0.79%	1.73%	1.66%	N/A

Toledo Public School District

*Ratios of General Bonded Debt Outstanding
(amounts in thousands)
Last Ten Years*

Year	1997	1998	1999	2000
Population (1)	325,767	325,767	325,767	325,767
Assessed Value (2)	\$2,327,482	\$2,453,404	\$2,452,981	\$2,466,707
General Bonded Debt (3)				
General Obligation Bonds	\$3,640	\$2,795	\$1,910	\$980
Resources Available to Pay Principal (4)	\$86	\$86	\$87	\$85
Net General Bonded Debt	\$3,554	\$2,709	\$1,823	\$895
Ratio of Net Bonded Debt to Assessed Actual Value	0.15%	0.11%	0.07%	0.04%
Net Bonded Debt per Capita	\$11	\$8	\$6	\$3

Source:

- (1) U.S. Bureau of Census of Population
- (2) Lucas County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Toledo Public School District

2001	2002	2003	2004	2005	2006
313,619	313,619	313,619	313,619	313,619	313,619
\$2,912,844	\$2,845,990	\$2,837,358	\$3,133,574	\$3,133,619	\$3,093,946
\$0	\$0	\$74,128	\$171,680	\$163,340	\$160,000
\$94	\$95	\$6,929	\$7,611	\$5,070	\$7,669
(\$94)	(\$95)	\$67,199	\$164,069	\$158,270	\$152,331
0.00%	0.00%	2.37%	5.24%	5.05%	4.92%
\$0	\$0	\$214	\$523	\$505	\$486



Toledo Public School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2006*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Toledo Public School District	Amount Applicable to Toledo Public School District
Direct:			
Toledo Public School District	\$160,000	100.00%	\$160,000
Overlapping:			
Lucas County	34,205	35.00%	11,972
City of Toledo	128,344	70.80%	90,868
		Subtotal	102,840
		Total	\$262,840

Source: Lucas County Auditor

Toledo Public School District

*Debt Limitations
(amounts in thousands)
Last Ten Years*

	1996	1997	1998	1999
Net Assessed Valuation	\$2,347,199	\$2,327,482	\$2,453,404	\$2,452,981
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	211,248	209,473	220,806	220,768
Applicable District Debt Outstanding	5,318	4,425	3,487	2,509
Less: Applicable Debt Service Fund Amounts (2)	(90)	(87)	(88)	(91)
Net Indebtedness Subject to Limitation	<u>5,228</u>	<u>4,338</u>	<u>3,399</u>	<u>2,418</u>
Overall Legal Debt Margin	<u>\$206,020</u>	<u>\$205,135</u>	<u>\$217,407</u>	<u>\$218,350</u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	2,347	2,327	2,453	2,453
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$2,347</u>	<u>\$2,327</u>	<u>\$2,453</u>	<u>\$2,453</u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	21,125	20,947	22,081	22,077
Authorized by the Board	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$21,125</u>	<u>\$20,947</u>	<u>\$22,081</u>	<u>\$22,077</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Toledo Public School District

2000	2001	2002	2003	2004	2005
\$2,466,707	\$2,912,844	\$2,845,990	\$2,837,358	\$3,133,574	\$3,133,619
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
222,004	262,156	256,139	255,362	282,022	282,026
1,486	413	320	145,227	167,934	160,000
(88)	(96)	(96)	(6,926)	(7,612)	(5,070)
<u>1,398</u>	<u>317</u>	<u>224</u>	<u>138,301</u>	<u>160,322</u>	<u>154,930</u>
<u>\$220,606</u>	<u>\$261,839</u>	<u>\$255,915</u>	<u>\$117,061</u>	<u>\$121,700</u>	<u>\$127,096</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
2,467	2,913	2,846	2,837	3,134	3,134
0	0	0	0	0	0
<u>\$2,467</u>	<u>\$2,913</u>	<u>\$2,846</u>	<u>\$2,837</u>	<u>\$3,134</u>	<u>\$3,134</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
22,200	26,216	25,614	25,536	28,202	28,203
0	0	0	0	0	0
<u>\$22,200</u>	<u>\$26,216</u>	<u>\$25,614</u>	<u>\$25,536</u>	<u>\$28,202</u>	<u>\$28,203</u>

Toledo Public School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	1996	1997	1998	1999
Population (1)				
City of Toledo	325,767	325,767	325,767	325,767
Lucas County	462,361	462,361	462,361	462,361
Income (2) (a)				
Total Personal (in thousands)	\$7,906,691	8,312,597	8,649,440	8,954,358
Per Capita	\$24,271	25,517	26,551	27,487
Unemployment Rate (3)				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Lucas County	5.0%	5.2%	5.5%	5.2%
Fiscal Year	1997	1998	1999	2000
School Enrollment (4)				
Grades K - 5	23,734	23,953	23,439	22,376
Grades 6 - 8	5,343	5,288	5,350	5,258
Grades 9 - 12	9,598	9,312	9,412	9,309
Special	418	499	668	764
Total	<u>39,093</u>	<u>39,052</u>	<u>38,869</u>	<u>37,707</u>

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

N/A - not available

Toledo Public School District

2000	2001	2002	2003	2004	2005
325,767	313,619	313,619	313,619	313,619	313,619
455,054	455,054	455,054	455,054	455,054	437,901
9,430,629	9,354,314	9,535,272	9,654,447	9,964,616	9,856,732
28,949	29,827	30,404	30,784	31,773	31,429
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
4.9%	5.0%	6.9%	7.8%	7.4%	6.9%
2001	2002	2003	2004	2005	2006
22,049	21,043	20,038	19,230	18,275	16,668
5,408	5,562	5,525	5,324	4,886	4,498
9,533	9,733	9,701	9,485	9,452	9,092
325	361	340	277	385	38
<u>37,315</u>	<u>36,699</u>	<u>35,604</u>	<u>34,316</u>	<u>32,998</u>	<u>30,296</u>



Toledo Public School District

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
ProMedica Health Systems	Hospital	11,500	1	5.73%
Mercy Health Partners	Hospital	6,799	2	3.39%
Daimler-Chrysler Corp	Automotive/Manufacturing	5,256	3	2.62%
The University of Toledo	Education	5,079	4	2.53%
Toledo Public Schools	Education	4,813	5	2.40%
Lucas County	Government	4,168	6	2.08%
Kroger, Inc.	Retail Grocery	3,900	7	1.94%
General Motors/Power Train	Automotive/Manufacturing	3,425	8	1.71%
Medical University of Ohio	Hospital	3,400	9	1.70%
The City of Toledo	Government	2,910	10	1.45%
Total		51,250		25.55%
Total Employment within the District		149,300		74.45%
		200,550		100.00%

Employer	Nature of Business	1997		
		Number of Employees	Rank	Percentage of Total Employment
Toledo Jeep Chrysler	Automotive/Manufacturing	5,700	1	2.84%
University of Toledo	Education	4,854	2	2.42%
General Motors/Power Train	Automotive/Manufacturing	4,710	3	2.35%
Lucas County	Government	4,699	4	2.34%
Toledo City Schools	Education	4,630	5	2.31%
The Toledo Hospital	Hospital	4,508	6	2.25%
Medical College of Ohio	Education	3,329	7	1.66%
St. Vincent Hospital & Medial Center	Hospital	3,239	8	1.62%
City of Toledo	Government	3,000	9	1.50%
Seaway Foodtown, Inc.	Retail Grocery	2,536	10	1.26%
Total		41,205		20.55%
Total Employment within the District		159,300		79.45%
		200,505		100.00%

Sources:

Source: Toledo Chamber of Commerce and Ohio Job and Family Services

Toledo Public School District

*School District Employees by Type
Last Ten Years*

	1997	1998	1999	2000	2001
Supervisory					
Instructional Administrators	63	56	53	55	43
Noninstructional Administrators	79	68	76	62	60
Principals	55	52	61	60	60
Assistant Principals	50	49	49	53	49
Instruction					
Classroom Teachers					
Elementary	1,365	1,399	1,513	1,593	1,590
Middle	391	390	397	399	374
High	688	663	660	657	593
Other	168	184	183	168	143
Student Services					
Guidance Counselors	61	64	67	68	67
Psychologists	26	27	25	20	24
Other Professionals (noninstructional)	13	32	29	30	32
Support Services					
Clerical/Secretaries	362	375	384	385	352
Tutors/Aides	412	421	429	439	436
Food Service	252	263	241	254	230
Maintenance/Grounds	466	461	466	454	406
Transportation	196	196	219	227	228
<i>Total Employees</i>	<u>4,647</u>	<u>4,700</u>	<u>4,852</u>	<u>4,924</u>	<u>4,687</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

Toledo Public School District

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
50	51	49	44	40
64	66	61	71	67
62	60	61	66	60
52	55	55	46	45
1,594	1,569	1,456	1,405	1,253
379	395	354	365	340
623	674	618	659	638
163	164	152	141	151
70	72	71	71	68
25	25	24	26	25
31	36	35	36	36
362	358	347	333	312
427	434	414	370	373
231	267	265	253	233
384	367	349	354	333
234	241	206	205	205
<u>4,751</u>	<u>4,834</u>	<u>4,517</u>	<u>4,445</u>	<u>4,179</u>

Toledo Public School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	1997	1998	1999	2000	2001
Enrollment	39,093	39,052	38,869	37,707	37,315
Modified Accrual Basis					
Operating Expenditures	\$259,162,463	270,240,335	304,637,819	308,314,562	310,969,862
Cost per Pupil	6,629	6,920	7,838	8,177	8,334
Percentage of Change	5.5%	4.4%	13.3%	4.3%	1.9%
Accrual Basis					
Expenses	N/A	N/A	N/A	N/A	N/A
Cost per Pupil	N/A	N/A	N/A	N/A	N/A
Percentage of Change	N/A	N/A	N/A	N/A	N/A
Teaching Staff	2,444	2,570	2,690	2,725	2,687
Pupil to Teacher Ratio					
Toledo	16.0	15.2	14.4	13.8	13.9
State Average	20.7	N/A	18.6	18.1	18.0

Source: District Treasurer's Office and Ohio Department of Education

N/A = Not available

Toledo Public School District

2002	2003	2004	2005	2006
36,699	35,604	34,316	32,998	30,296
358,058,858	399,134,674	444,949,806	500,422,632	544,253,369
9,757	11,210	12,966	15,165	17,965
17.1%	14.9%	15.7%	17.0%	18.5%
\$381,777,471	394,074,964	419,110,468	445,822,877	464,821,441
10,403	11,068	12,213	13,511	15,343
N/A	6.4%	10.3%	10.6%	13.6%
2,809	2,638	2,428	3,276	3,077
13.1	13.5	14.1	10.1	9.8
16.9	16.9	18.5	18.5	18.5

Toledo Public School District

*Operating Indicators by Function
Last Ten Years*

	1997	1998	1999	2000
Governmental Activities				
Instruction				
Regular	N/A	N/A	N/A	N/A
Special	N/A	N/A	N/A	N/A
Support Services				
Pupils				
Enrollment	39,093	39,052	38,869	37,707
Graduates	N/A	N/A	N/A	N/A
Percent of Students with Disabilities	N/A	15.80%	14.30%	13.50%
Percent of Students with English as Second Language	N/A	N/A	N/A	N/A
Administration				
School Attendance Rate	93.20%	N/A	91.40%	91.90%
Fiscal Services				
Purchase Orders Processed	N/A	N/A	N/A	25,194
Checks Issued (non payroll)	28,496	28,680	28,484	27,301
Operation and Maintenance of Plant				
District Square Footage Maintained	6,035,412	6,318,863	6,318,863	6,318,863
District Square Acreage Maintained	145	145	145	145
Pupil Transportation				
Average Daily Students Transported	8,558	9,086	6,356	10,909
Average Daily Bus Fleet Miles	4,990	5,485	5,524	5,929
Number of Buses	123	123	138	150
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	N/A	17,169	17,103	16,703
Free/Reduced Price Meals Daily	N/A	15,114	14,929	14,298
Extracurricular Activities				
High School Varsity Teams	109	109	109	111

Source: District Treasurer's Office

N/A = Not available

Toledo Public School District

2001	2002	2003	2004	2005	2006
N/A	31,809	29,757	28,540	27,529	24,953
N/A	4,890	5,847	5,809	5,456	5,343
37,315	36,699	35,604	34,349	32,985	30,296
N/A	942	1,079	1,041	1,171	1,348
N/A	15.37%	15.90%	16.60%	17.40%	18.30%
N/A	1.50%	0.60%	0.30%	0.50%	0.30%
N/A	90.90%	93.30%	93.10%	93.20%	93.20%
27,346	27,867	29,352	26,053	25,745	25,218
26,702	29,195	30,585	29,349	26,321	26,058
6,318,863	6,318,863	6,318,863	6,318,863	6,634,127	6,271,055
145	145	145	145	152	144
8,023	8,515	8,385	7,756	8,642	9,229
5,803	6,374	6,253	11,043	11,598	10,348
155	170	174	178	167	171
16,432	15,886	15,285	14,368	13,523	12,667
13,933	13,595	13,186	12,550	11,944	11,181
111	110	110	114	115	115

Toledo Public School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	1997	1998	1999	2000	2001
Minimum Salary	\$24,427	27,262	29,098	29,098	31,447
Maximum Salary	\$50,377	54,725	56,906	56,906	63,670
District Average Salary	N/A	\$37,719	37,541	38,504	40,345
County Average Salary	N/A	\$39,333	39,814	40,599	42,203
State Average Salary	N/A	\$39,714	40,746	41,713	42,892

Source: District Treasurer's Office and Ohio Department of Education

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	1997	1998	1999	2000	2001
Bachelor's Degree	1,436	1,482	1,598	1,637	1,592
Master's Degree	1,063	1,070	1,078	1,076	1,102
Doctorate	17	18	14	12	12
Total	2,516	2,570	2,690	2,725	2,706

Source: District Treasurer's Office

N/A = Not available

Toledo Public School District

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
32,697	32,697	32,697	32,697	32,697
65,520	65,520	65,520	65,520	65,520
43,374	45,544	45,949	37,719	N/A
44,955	46,224	41,964	39,333	N/A
44,266	45,515	47,495	39,714	50,772

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
1,614	1,844	1,785	1,635	1,101
1,181	1,240	1,550	1,624	1,254
14	15	13	17	13
2,809	3,099	3,348	3,276	2,368

Toledo Public School District

*Capital Asset Statistics by Building
Last Ten Years*

	1997	1998	1999	2000
School Buildings				
High Schools				
Number of Buildings	7	7	7	7
Square Footage	1,927,897	1,927,897	1,927,897	1,927,897
Enrollment	N/A	N/A	N/A	N/A
Junior High Schools				
Number of Buildings	7	7	7	7
Square Footage	725,903	725,903	725,903	725,903
Enrollment	N/A	N/A	N/A	N/A
Elementary Schools				
Number of Buildings	44	44	44	44
Square Footage	2,484,037	2,484,037	2,484,037	2,484,037
Enrollment	N/A	N/A	N/A	N/A
Special Schools				
Number of Buildings	11	11	11	11
Square Footage	758,725	758,725	758,725	758,725
Enrollment	N/A	N/A	N/A	N/A
All Other				
Central Administration Building				
Square Footage	79,354	79,354	79,354	79,354
Transportation Building				
Square Footage	10,950	10,950	10,950	10,950
Maintenance Building				
Square Footage	48,546	48,546	48,546	48,546

Source: District Treasurer's Office

N/A = Not available

Toledo Public School District

2001	2002	2003	2004	2005	2006
7	7	7	7	7	7
1,927,897	1,927,897	1,927,897	1,927,897	1,927,897	1,927,897
5,408	9,733	9,701	9,485	9,452	9,092
7	7	7	7	7	7
725,903	725,903	725,903	725,903	725,903	725,903
9,533	5,562	5,525	5,324	4,886	4,498
44	44	44	44	44	44
2,484,037	2,484,037	2,484,037	2,484,037	2,484,037	2,484,037
22,049	21,043	20,038	19,230	18,275	16,668
11	11	11	12	12	12
758,725	758,725	758,725	822,918	822,918	822,918
325	361	340	277	385	38
79,354	79,354	79,354	79,354	79,354	79,354
10,950	10,950	10,950	10,950	10,950	10,950
48,546	48,546	48,546	48,546	48,546	48,546

Toledo Public School District

*Capital Asset Statistics by Function
Last Ten Years*

	1997	1998	1999	2000
Governmental Activities				
Instruction				
Land and Improvements	15,101,842	15,053,535	14,828,911	14,828,911
Buildings and Improvements	115,916,103	117,273,263	122,349,987	125,309,558
Machinery and Equipment	31,432,193	34,682,142	37,629,105	40,226,403
Vehicles	1,134,200	1,134,200	1,134,200	1,134,200
Construction In Progress				
Administration				
Land and Improvements	1,466,581	1,466,581	1,466,581	1,466,581
Buildings and Improvements	4,965,409	8,108,303	8,108,303	8,147,213
Machinery and Equipment	7,400,627	7,595,309	8,302,406	8,133,342
Vehicles	424,196	455,921	594,031	576,160
Operations and Maintenance of Plant				
Land and Improvements	150,953	150,953	150,953	150,953
Buildings and Improvements	421,481	421,481	478,701	478,701
Machinery and Equipment	919,393	924,007	945,687	954,333
Vehicles	868,976	755,263	755,263	727,596
Pupil Transportation				
Land and Improvements	60,122	60,122	60,122	60,122
Buildings and Improvements	260,698	260,698	260,698	273,370
Machinery and Equipment	328,717	353,363	356,726	356,726
Vehicles	6,505,399	6,548,422	6,542,138	7,409,076
Non-Instructional Activities				
Land and Improvements				
Buildings and Improvements				
Machinery and Equipment				
Extracurricular Activities				
Land and Improvements				
Machinery and Equipment				
Vehicles				

Source: District Treasurer's Office

Toledo Public School District

2001	2002	2003	2004	2005	2006
14,828,911	17,186,218	17,186,218	17,930,709	21,401,277	21,237,747
126,568,438	97,370,855	97,370,855	98,807,735	98,448,522	124,467,992
42,311,014	622,000	767,167	820,189	1,080,631	1,422,417
1,134,200	71,449	265,561	265,561	372,411	372,411
7,233,211		2,848,748	12,191,262	45,957,833	84,155,459
1,466,581	565,488	565,488	565,488	565,488	207,367
8,147,213	4,228,050	4,228,050	4,228,050	4,228,050	1,028,140
8,483,047	823,437	2,025,156	2,348,835	3,705,058	3,690,836
641,272					
150,953	411,952	411,952	411,953	411,953	411,953
478,701	1,502,625	1,502,625	1,502,625	1,502,625	1,502,625
971,447	300,599	467,244	1,398,411	1,731,391	2,212,966
739,696	1,335,755	1,512,200	1,530,343	1,530,343	1,575,448
60,122	584,422	584,422	584,422	584,422	584,422
273,370	207,077	207,077	207,077	207,077	207,077
356,726	42,700	42,700	42,700	42,700	42,700
7,409,076	6,107,356	7,456,491	7,552,128	7,552,128	7,552,128
	127,175	127,175	127,175	127,175	127,175
	4,046,820	4,046,820	4,046,820	4,046,820	3,199,962
	1,170,600	1,267,426	1,316,505	1,316,505	1,261,155
					140,221
					4,046,768
				5,204	284,226

Toledo Public School District

*Educational and Operating Statistics
Last Ten Years*

	1997	1998	1999	2000	2001
ACT Scores (Average)					
Toledo	19.6	19.7	19.2	19.5	19.0
Ohio	21.3	21.4	21.4	21.4	21.4
National	21.0	21.0	21.0	21.0	21.0
SAT Scores (Average)					
Toledo					
Verbal	518	541	507	N/A	540
Mathematical	514	540	510	N/A	541
Ohio					
Verbal	535	540	534	533	534
Mathematical	536	540	538	539	539
National					
Verbal	505	500	505	505	506
Mathematical	511	510	511	514	514
Cost per Student (ODE)					
Toledo	\$6,222	6,527	N/A	N/A	N/A
Ohio (Average)	\$5,939	6,232	6,642	7,057	7,602
Attendance Rate					
Toledo	93.20%	N/A	91.40%	91.90%	N/A
Ohio (Average)	N/A	93.90%	94.20%	97.20%	94.70%
Graduation Rate					
Toledo	57.10%	N/A	58.50%	66.90%	N/A
Ohio (Average)	N/A	79.90%	81.40%	80.70%	81.20%

Source:

District's Student Records and Ohio Department of Education

N/A = Not available

Toledo Public School District

2002	2003	2004	2005	2006
19.3	19.2	18.8	18.7	18.7
21.4	21.4	21.4	21.1	21.5
20.8	20.8	20.9	20.6	21.1
521	528	519	526	519
505	517	529	515	519
534	536	540	539	535
539	541	540	543	N/A
506	507	510	508	503
514	519	510	520	N/A
8,726	N/A	N/A	N/A	N/A
8,073	8,441	8,768	9,028	N/A
90.90%	93.30%	93.10%	93.20%	93.20%
95.00%	94.90%	95.30%	95.20%	94.10%
65.60%	70.40%	70.40%	76.60%	80.20%
82.80%	83.90%	84.30%	85.90%	86.20%





Mary Taylor, CPA
Auditor of State

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
MARCH 1, 2007