

CITY OF TOLEDO
Toledo, Ohio

**REPORTS ISSUED PURSUANT TO
THE OMB CIRCULAR A-133
December 31, 2002**



**Auditor of State
Betty Montgomery**

Honorable Mayor and
Members of City Council
City of Toledo
One Government Center, Suite 2050
Toledo, OH 43604

We have reviewed the Independent Auditor's Report of the City of Toledo, Lucas County, prepared by Clifton Gunderston LLP, for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Toledo is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

September 11, 2003

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

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

We have audited the basic financial statements of the City of Toledo, Ohio (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 11, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 11, 2003.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 11, 2003.

This report is intended solely for the information and use of the Mayor, City Council, management, Audit Committee, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Toledo, Ohio
June 11, 2003



**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program, Internal Control Over
Compliance and Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of the City of Toledo, Ohio (the City) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in items 02-1, 02-2, 02-3, 02-4, 02-5, 02-6 and 02-7 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding reporting and cash management that are applicable to its Economic Development Initiative Grant, JEEP Project 108 Loan Guaranteed Fixed Note, Local Law Enforcement Block Grant and Capitalization Grants for State Revolving Funds – OWDA Loans. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

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

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 02-1, 02-2, 02-3, 02-4, 02-5, 02-6 and 02-7.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended December 31, 2002, and have issued our report thereon dated June 11, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, City Council, management, Audit Committee, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Toledo, Ohio
June 11, 2003

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Housing and Urban Development (HUD):			
Direct Grants			
Community Development Block Grants/Entitlement Grants	14.218	B-97-MC-39-0021	\$ 24,307
		B-98-MC-39-0021	38,059
		B-99-MC-39-0021	37,121
		B-00-MC-39-0021	37,352
		B-01-MC-39-0021	334,263
		B-02-MC-39-0021	5,439,421
		B-03-MC-39-0021	5,398,702
Sub-total CFDA 14.218			<u>11,309,225</u>
Emergency Shelter Grants Program	14.231	S99-MC-30-0021	3,991
		S01-MC-39-0021	189,203
		S02-MC-39-0021	162,004
Sub-total CFDA 14.231			<u>355,198</u>
Supportive Housing Program	14.235	S97-MC-39-0021	127,309
		S98-MC-39-0021	415,049
		S00-MC-39-0021	547,102
		S01-MC-39-0021	676,478
Sub-total CFDA 14.235			<u>1,765,938</u>
Home Investment Partnership Programs	14.239	M-98-MC-39-0021	7,843
		M-99-MC-39-0021	(6,393)
		M-00-MC-39-0021	245,143
		M-01-MC-39-0021	2,048,581
		M-02-MC-39-0021	116,011
Sub-total CFDA 14.239			<u>2,411,185</u>
Economic Development Initiative Grant	14.246	B-98-SP-OH-0111	53,702
		B-99-SP-OH-0250	408,500
		B-00-SP-OH-0327	264,090
Sub-total CFDA 14.246			<u>726,292</u>
JEEP Project 108 Loan Guaranteed Fixed Note	14.248	-	21,870,000
Lead Based Paint Program	14.900	OH-LB-01-4799	509,410
Passed-through			
Lucas County Metropolitan Housing Authority Public and Indian Housing Drug Elimination Program	14.854	-	<u>20,320</u>
Total U.S. Department of HUD			<u>38,967,568</u>

This financial schedule should be read only in connection with
the accompanying notes to the schedule of expenditures of federal awards

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Justice:			
Direct Grants			
Criminal Justice Coordinating Council			
Toledo Youth Drug/Gang Prevention Program	16.540	99-JJ-DP2-0291	\$ 5,208
		00-DG-B01-B1006	18,531
		00-DG-B01-B1009	13,347
Sub-total for CFDA 16.540			<u>37,086</u>
Bureau of Justice Assistance			
Local Law Enforcement Block Grant Programs	16.592	99-LB-VX-8674	6,994
		00-LB-BX-2490	2,751
		01-LB-BX-1785	409,072
Sub-total for CFDA 16.592			<u>418,817</u>
National Incident Based Reporting System	16.733	01RC-C27-9087	<u>499,442</u>
Office of National Drug Control Policy			
High Intensity Drug Trafficking Area Grant (HIDTA)	16.000	-	<u>122,840</u>
Passed-through			
Ohio Office of Criminal Justice Services/Criminal Justice Coordinating Council			
Juvenile Accountability Incentive Block Grant	16.523	00-JB-010-C103	<u>181,735</u>
Byrne Memorial State and Local Law Enforcement Assistance Program	16.580	00-DG-B02-B1002	110,116
		99-DG-B01-7638	3,694
Sub-total for CFDA 16.580			<u>113,810</u>
Violence Against Women Formula Grant	16.588	99-WF-VA3-8842	52,469
		00-WF-VA3-8841	4,266
		01-WF-VA3-8841	5,052
Sub-total for CFDA 16.588			<u>61,787</u>
Organized Neighbors Yielding Excellence (ONYX):			
Weed and Seed Strategy Grant	16.595	-	545
Weed and Seed Asset Forfeiture Grant			3,218
Weed and Seed Asset Forfeiture Grant			33,509
Weed and Seed Asset Forfeiture Grant			37,047
Weed and Seed Asset Forfeiture Grant			19,653
Sub-total for CFDA 16.595			<u>93,972</u>
Total U.S. Department of Justice			<u>1,529,489</u>

This financial schedule should be read only in connection with
the accompanying notes to the schedule of expenditures of federal awards

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Transportation:			
Passed-through			
Ohio Department of Transportation			
Highway Planning and Construction Grants	20.205		
Jeep Transportation		-	\$ 186,389
Monroe Street Improvements		-	884,625
Lagrange Street Enhancement		-	9,106
Route 24 Anthony Wayne Trail		-	1,186,282
Improvement of Holland-Sylvania Road		-	30,566
Sub-total for CFDA 20.205			<u>2,296,968</u>
Ohio Department of Highway Safety - Office of the Governor's Highway Safety Representative:	20.600		
Selective Traffic Enforcement Program Grant		-	80,456
I-75 Construction		-	55
Sub-total for CFDA 20.600			<u>80,511</u>
Total U.S. Department of Transportation			<u>2,377,479</u>
U.S. Environmental Protection Agency (EPA):			
Direct Grants			
Brownfield Pilot Grant	66.811		99,914
Brownfield Job Training Development Pilot Grant		-	13,843
Sub-total for CFDA 66.811			<u>113,757</u>
Passed-through			
State of Ohio Environmental Protection Agency/Division of Environmental Services	66.001		
1998 Air Pollution Control Program Support		BG985692-98	382
1999 Air Pollution Control Program Support		BG985692-99	498
Air Pollution Control Program		-	1,447
Air Pollution Control Program		-	4,829
Air Pollution Control Program		-	233,776
International Council for Local Environmental Initiatives			
Climate Protection Program	66.001	-	459
Sub-total for CFDA 66.001			<u>241,391</u>
State of Ohio Environmental Protection Agency Division of Environmental Services			
Capitalization Grants for State Revolving Funds - OWDA Loans	66.458	-	2,171,641
Total U.S. EPA			<u>2,526,789</u>

This financial schedule should be read only in connection with
the accompanying notes to the schedule of expenditures of federal awards

CITY OF TOLEDO, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	CFDA Number	Grantor's Number	Total Cash Non-cash Federal Awards Expended
U.S. Department of Health and Human Services:			
Direct Grants			
Public Health and Social Services Emergency Fund	93.003		\$ 210,889
Passed-through			
State Department of Health			
Preventative Health and Health Services Block Grant	93.991	-	17,074
Preventative Health and Health Services Block Grant			30,000
			<u>47,074</u>
Total U.S. Department of Health and Human Services			<u>257,963</u>
Corporation for National and Community Service:			
Direct Grant			
Rebuild America	94.004	DE-FG-45-96R530327	<u>75,000</u>
Federal Emergency Management Agency			
Direct Grant			
Hazardous Materials Assistance Program	83.012		<u>47,600</u>
Total Federal Awards Expended			<u><u>\$ 45,781,888</u></u>

This financial schedule should be read only in connection with
the accompanying notes to the schedule of expenditures of federal awards

CITY OF TOLEDO, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2002

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1(c) to the City of Toledo, Ohio's (the City) basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOTE 2 – SUBRECIPIENTS

The City provided federal awards to various subrecipients on a pass-through basis as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development		
Community Development Block Grant/Entitlement Grant	14.218	\$ 4,423,473
Emergency Shelter Grants	14.231	355,167
Supportive Housing Grants	14.235	1,753,439
Home Investment Partnership Programs	14.239	2,218,304
Economic Development Initiative Grant	14.246	510,141
Department of Justice/Ohio Office of Criminal Justice		
Services/ Criminal Justice Coordinating Council		
Juvenile Justice and Delinquency Prevention	16.540	<u>23,739</u>
	Total Passed Through	<u>\$ 9,284,263</u>

This information is an integral part of the accompanying schedule.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2002

SUMMARY

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Toledo, Ohio (the City).
2. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
3. The auditor's report on compliance for the major Federal award programs for the City expresses a qualified opinion.
4. Five audit findings relative to a major Federal award program for the City are reported in the Findings and Questioned Costs – Single Audit section of this schedule.
5. The following programs were tested as major programs:

Home Investment Partnership Programs	14.239
Economic Development Initiative Grant	14.246
JEEP Project 108 Loan Guaranteed Fixed Note	14.248
Local Law Enforcement Block Grant Programs	16.592
Capitalization Grants for State Revolving Funds – OWDA Loans	66.458
6. The threshold for distinguishing Type A and B programs was \$717,357. The HUD 108 loan guarantee notes, which occur rarely, were excluded for the purpose of the threshold calculation since inclusion of this amount would have distorted the normally occurring activity of the City.
7. The City was not determined to be a low-risk auditee.

FINDINGS – SINGLE AUDIT

Reference 02-1 – Cash Management Economic Development Initiative

Grant from the U.S. Department of Housing and Urban Development
Economic Development Initiative
CFDA 14.246

Criteria

HUD generally does not permit an advance of federal funds.

Condition

A federal award was fully advanced in August 2002 to a subrecipient without sufficient documentation as to the purpose of the advance. Documentation regarding the use of the funds has not been received since the funds were advanced. Interest on advanced funds has not been received.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

Reference 02-1 – Cash Management Economic Development Initiative, Continued

Effect

Allowability of costs cannot be verified or tested without sufficient supporting documentation. Therefore, unallowable costs, if any, could be incurred and funds may need to be returned to HUD. In addition, the subrecipient should refund any interest income earned on federal funds to HUD.

Recommendation

We recommend the City prohibit advancing the full award to subrecipients without just cause.

City Response

The City of Toledo at the request of the City Council President forwarded \$75,000 to the Great Lakes Consortium through the Wood Community Action Agency. The proposed use of the funds was verified by the Environmental Review Officer prior to disbursement. The initial funds were drawn from the City's Bank (cash) and were later reimbursed with federal Economic Development Initiative (EDI) dollars. In an effort to eliminate the possibility of costs associated with a future project to be determined unallowable, the Department of Economic and Community Development along with the Finance Department of the City will review and establish as appropriate, new internal accounting controls to prohibit dollars being advanced without adequate supporting documentation. The Department continued to pursue documentation supporting the project.

Reference 02-2 – Reporting JEEP Project 108 Loan Guaranteed Fixed Note

Loan Guarantee from the U.S. Department of Housing and Urban Development
JEEP Project 108 Loan Guaranteed Fixed Note
CFDA 14.248

Criteria

By the 15th of each July, the City is to provide HUD with a written statement showing the amount of non-tax revenues received during the preceding calendar year, together with a statement of the aggregate amount of payments made on other non-tax revenue obligation during the corresponding period.

Condition

The City has not provided HUD with a written statement showing the amount of non-tax revenues received during the preceding calendar year, together with a statement of the aggregate amount of payments made on other non-tax revenue obligation during the corresponding period by the 15th of each July.

Effect

Noncompliance with reporting requirements could result in the City being in default under the note. If loans are deemed to be in default, HUD could, among other repercussions, withhold the disbursement of all or any grants not yet disbursed in full under outstanding guarantee commitments or grant approvals.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

Reference 02-2 – Reporting JEEP Project 108 Loan Guaranteed Fixed Note, Continued

Recommendation

Program personnel should ensure that the proper reports are submitted to the proper authorities within given time restraints.

City Response

The City of Toledo provides HUD with a copy of the CAFR within 180 days of year-end. Verbal discussions with HUD during the HUD 108 negotiations made it clear that this was acceptable compliance. The City Debt Management Officer will additionally send a separate notice again listing non-tax revenues and stating the usage, if any, of these funds for pledged payments.

Reference 02-3 – Reporting for the Local Law Enforcement Block Grant Programs

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

Semi-annual progress reports are required to be submitted for the grant period.

Condition

The City does not submit semi-annual progress reports.

Effect

The non-compliance with reporting requirements could result in return of funds to the Department of Justice.

Recommendation

Program personnel should ensure that the proper reports are submitted to the proper authorities within given time restraints.

City Response

The commanders of the fiscal bureau and the planning section have been instructed to coordinate semi-annual progress reporting to ensure future compliance.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

**Reference 02-4 – Cash Management and Reporting for Local Law Enforcement
Block Grant Programs**

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

Any funds and interest that remain unobligated at end of the 24 months from the date of initial payment shall be returned to Bureau of Justice Assistance within 27 months of the initial payment of the grant and a final report is due 90 days after the end date of the grant.

Condition

The City has not submitted unobligated funds within 27 months of the initial payment of the grant years 1997 through 2000. A final report has not been submitted for grant years 1997 through 2000.

Effect

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

Recommendation

Program personnel should ensure that the proper reports are submitted and unobligated funds are returned to the proper authorities within given time restraints.

City Response

The commander of the fiscal affairs bureau will become current with the 24- month requirement.

Reference 02-5 – Cash Management for the Local Law Enforcement Block Grant Programs

Grant from the U.S. Department of Justice
Local Law Enforcement Block Grant
CFDA 16.592

Criteria

The accounting and information systems should provide reliable processing of financial and performance information for Federal awards.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

**Reference 02-5 – Cash Management for the Local Law Enforcement Block
Grant Programs, Continued**

Condition

Department accounting systems used to monitor grant expenditures and prepare quarterly financial status reports are not being reconciled to the accounting system used to process expenditures. *QuickBooks* is used to monitor grant expenditures and prepare quarterly financial status reports and *Ross* is used to process expenditures.

Effect

An error could be made with data entry in either system.

Recommendation

The system used to prepare the reports submitted to grantor should be reconciled to the accounting system used to process expenditures.

City Response

The Fiscal Affairs Bureau has been directed to reconcile grant revenue and expenditures regularly and periodically during the grant period, rather than wait until the end of the grant.

**Reference 02-6 – Cash Management for the Capitalization Grants for State Revolving
Funds – OWDA Loans**

Grant from the U.S. Environmental Protection Agency
Passed Through the Ohio Environmental Protection Agency
Capitalization for State Revolving funds
CFDA 66.458

Criteria

Internal controls should be placed into service to ensure reliable processing of financial and performance information for Federal Awards.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

Reference 02-6 – Cash Management for the Capitalization Grants for State Revolving Funds – OWDA Loans, Continued

Condition

There was an instance where it went unnoticed that the amount reimbursed by OWDA was \$249,806 less than the amount requested for reimbursement. The Treasury Department maintains a copy of the request for reimbursement from the respective department. Reimbursement checks from OWDA are sent to the City's Treasury Department to be processed into the general ledger system and deposited. Treasury attaches the check stub from the reimbursement check to the request form. However, the Treasury Department does not verify the check amount is the same amount as the amount requested, nor is this information forwarded to the respective departments. In this instance, the Water Reclamation Department did not reconcile the request for reimbursement to the amount recorded in the general ledger system.

Effect

A reimbursement amount could be incorrect and not be detected by the person monitoring the loan.

Recommendation

We recommend that the Treasury Department forward a copy of the reimbursement check stub to the respective departments. In addition, on a regular basis, the departments should reconcile the supporting documentation to the general ledger in order to ensure accurate reporting and cash management.

City Response

Water Reclamation will request that the Division of Treasury will send the Administrative Specialist at Water Reclamation copies of all loan and grant revenues along with the supporting documentation and copy of processed Remittance to the Finance Director on the date of the transaction. The Administrative Specialist will give the Water Reclamation Project Manager copies of this information. The Water Reclamation Project Manager will compare the actual receipt of funds versus the request. At that point, the Project Engineer will reconcile any differences with the loan or grant agency. The Administrative Specialist will review and reconcile the loan or grant accounts via the monthly ROSS reports, again reconciling any differences.

The Division of Taxation and Treasury will forward a copy of the remitting journal entry and any supporting documentation for each grant payment to the appropriate City department for their review and reconciliation.

CITY OF TOLEDO, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

FINDINGS – SINGLE AUDIT (CONTINUED)

**Reference 02-7 – Cash Management for the Capitalization Grants for State Revolving
Funds – OWDA Loans**

Grant from the U.S. Environmental Protection Agency
Passed Through the Ohio Environmental Protection Agency
Capitalization for State Revolving funds
CFDA 66.458

Criteria

Change orders that do not substantially modify the proposed project facilities or alter the direct or indirect impact of the project facilities upon the environment must be submitted to the Ohio EPA within one month of the time at which the change order was approved by the City.

Condition

Change orders are not being submitted within a timely manner.

Effect

Change orders will not be reimbursed until they have been received and approved by the Ohio EPA. Therefore, it is important to submit change orders within a timely fashion in order to avoid delays in reimbursement.

Recommendation

We recommend change orders are submitted within one month of the time at which the change order was approved by the City.

City Response

Water Reclamation has been submitting all change orders to the Ohio EPA. However, we were unaware that there was a 30-day time limit. Effective immediately, Water Reclamation will submit all approved change orders to the Ohio EPA within the 30-day time requirement. This will resolve this situation.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2002

FINANCIAL STATEMENT AUDIT

Reference 01-1 – Investment Portfolio

Criteria

The City manages an investment portfolio of approximately \$210 million.

Condition

The City has a concentration of duties with respect to the investment responsibilities and authority. Presently, the Cash Management Officer has responsibilities including: the selecting of investment securities, authorizing investment transaction with financial institutions, journalizing the investment activity in the general ledger and performing the wire transfers. This individual is also responsible for investment activity compliance with the municipal code and for verifying financial institutions have appropriate collateralization of the City's investment holdings. The Cash Management Officer prepares an investment authorization form daily; however, it appears the Commissioner of Treasury and Taxation and the Director of Finance do not approve this form until several days after the transaction.

Effect

This condition increases the possibility that errors or irregularities may occur and not be detected in a timely manner.

Recommendation

We recommend a detective control be implemented whereby the trade confirmations be mailed directly from the financial institution to an individual outside of the Treasury department. This individual would compare the trade confirmation to the investment activity recorded by the Cash Management Officer. When a lack of segregation of duties condition exists, management's, as well as the City's investment committee's, close supervision and review of accounting information is one of the best means of presenting and detecting errors and irregularities.

We also recommend the City cross-train another individual in Treasury to management the investment portfolio. Presently, there is no individual familiar with the responsibilities to perform this function efficiently, other than the current Cash Management Officer.

City Response

The recommended detective control was implemented last year. The trade confirmations from our custodial bank are being mailed directly to the Administrator in the Division of Accounts. The Cash Management Officer has trained another Treasury employee in our investment procedures to the extent that she has been able to fill in during absences. Training will also be provided to the Commissioner of Taxation and Treasury, as an additional safeguard.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2002

SINGLE AUDIT

Reference 01-2 – Allowable Costs/Cost Principles for the Brownfield Pilot Grant and Job Training Development Pilot Grant

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

Criteria

Federal awards are to be expended only for allowable activities and that the costs of goods and services charged to Federal awards are in accordance with the program requirements.

Condition

The City does not maintain adequate supporting documentation for salary expenditures charged to the program.

Effect

Supporting documentation must be maintained for all expenditures charged to federal programs. Budgeted amounts submitted to federal agencies for funding must be supported by adequate documentation.

Recommendation

Program personnel should maintain sufficient records supporting expenditures charged to the program.

City Response

Following the 2001 audit, the Division of Environmental Services implemented procedures to accurately document salary expenditures charged to the program. The amount of time spent under the grant is now identified. There were no chargebacks made in 2002. Beginning in 2003, chargebacks will occur on a biweekly basis.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2002

SINGLE AUDIT (CONTINUED)

Reference 01-3 – Cash Management for the Brownfield Pilot Grant and the Brownfield Job Training Development Pilot Grant

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

Criteria

Cash management requires the draw down of federal cash be only for the immediate needs relating to the program.

Condition

The programs do not maintain adequate supporting documentation for draw-downs from the U.S. Environmental Protection Agency.

Effect

Schedules must be maintained documenting the cash draw-downs, including the date and amount and all supporting expenses to substantiate the request from the U.S. Environmental Protection Agency.

Recommendation

We recommend program personnel maintain sufficient documentation regarding the cash draw-downs.

City Response

Environmental Services maintains all supporting documentation for draw-downs for expenses incurred under the grants. The division has changed its practices to reflect Federal reporting guidelines and will schedule future draw-downs on a quarterly basis. No draw-downs were requested in 2002.

CITY OF TOLEDO, OHIO
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2002

SINGLE AUDIT (CONTINUED)

Reference No. 98-1 – U.S. Environmental Protection Agency (EPA) Construction Grants for Wastewater Treatment Works

U.S. Environmental Protection Agency
Passed through the State of Ohio Environmental Protection Agency/Division
Construction Grant for Wastewater Treatment Works
CFDA 66.001

Criteria

Pollutants are not to be discharged from the City's wastewater treatment plant in violation of permit limits.

Condition

EPA filed a complaint against the City for alleged discharge of pollutants from the City's wastewater treatment plant in violation of their permit limits.

Effect

The City was alleged to be in violation of its discharge permit as noted in the prior single audit reports since 1991. This issue has not been resolved.

City response

Since 1991, the Wastewater Treatment Plant has been in nearly perfect compliance with the National Pollutant Discharge Elimination Systems (NPDES) Permit. During this time, the City has been in negotiations with the USEPA which resulted in a Consent Decree which was signed in December 2002.

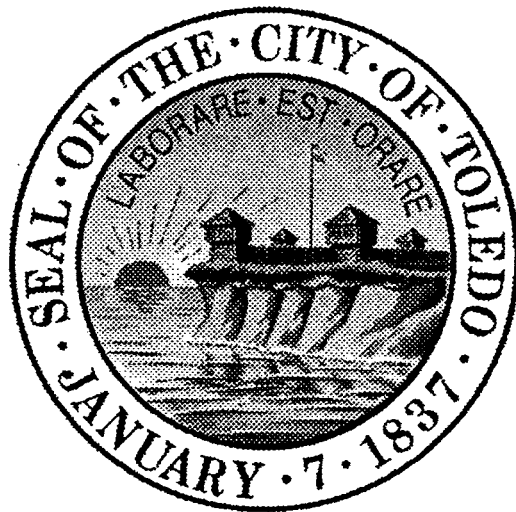
The Consent Decree has mandated \$400 million dollars for a collection system and plant improvements over the next fifteen years. These improvements will reduce inflow and infiltration into the collection system, improve the collection system infrastructure and increase the plant's capacity to handle 400mgd wet weather flow. These improvements will allow the plant to meet and/or exceed the NPDES Permit requirements. Therefore, this issue has been resolved.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2002

DEPARTMENT OF FINANCE

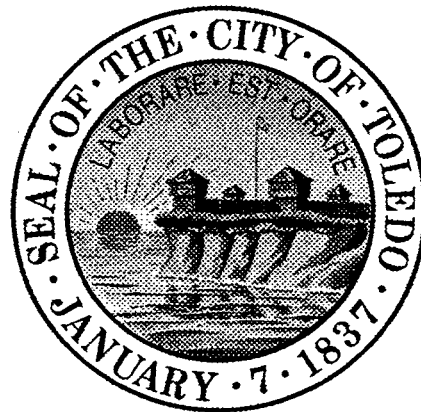


“an elegant city-a point of destination”

CITY OF TOLEDO, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2002



PREPARED BY:

THE DEPARTMENT OF FINANCE

JOHN E. BIBISH, FINANCE DIRECTOR

INTRODUCTORY SECTION

**CITY OF TOLEDO, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY of TOLEDO

JACK FORD, MAYOR



John Bibish, Director of Finance

June 30, 2003

Honorable Mayor Jack M. Ford, Louis Escobar, President
and Members of City Council and Citizens of the City of Toledo, Ohio

We are pleased to submit the 2002 Comprehensive Annual Financial Report of the City of Toledo, for the year ended December 31, 2002. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations including all disclosure rests with the City. We believe the data is presented in a manner which fairly presents in all material respects the financial position and results of operations of the City, with all the necessary disclosures. Furthermore, we believe the accompanying financial statements, which are presented in conformity with Generally Accepted Accounting Principles (GAAP) and the Ohio Revised Code, contain financial, operating and budgetary information for the year 2002 that will be informative to a variety of users, including taxpayers, citizens and other resource providers.

The Comprehensive Annual Financial Report (CAFR) is prepared by the Department of Finance, Accounts Division and is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, a list of principal officials and an organization chart of the City. The Financial section, prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board (GASB), includes the basic financial statements, the combining and account group financial statements, and the report of independent auditors on the basic financial statements. The Statistical section contains pertinent financial and general information about the City over the last ten years.

This report includes all the funds, agencies, boards and commissions over which the City is financially accountable. The City provides a full range of municipal services. These services include highways and streets, public safety, water and sanitation, culture and recreation, health and social services, public improvements and planning and zoning. General Administrative Services are not applicable to any particular program and are categorized as such in the financial statements. The City has included in its financial statements the operations and balances of the Clerk of Courts. It has excluded various autonomous entities such as the Toledo City School District, the Toledo Area Regional Transit Authority, the Toledo-Lucas County Port Authority, the Toledo Zoo, the Toledo Hospital, the Toledo Metropolitan Park District and The University of Toledo.

Dollar Amounts in Thousands

ECONOMIC CONDITIONS AND OUTLOOK

The City of Toledo is located in Lucas County in northwestern Ohio. It covers an area of 84 square miles. Toledo, with a population of approximately 314,000, is the fourth largest city in the state of Ohio. 149,000 people are employed within the City limits.

Toledo's economy has experienced the major changes that are typical of most large U.S. cities: Once dominant, large manufacturers have felt the effect of global competition. The result is the emphasis has shifted from very large manufacturing facilities toward the small and medium-sized companies with less than 100 employees. Also, the diversification within Toledo's industrial base is being realized through the attraction and development of high-tech and medical bio-tech companies. These companies, realizing their affordable access to Great Lakes shipping and international cargo flights, have directed their focus to international as well as domestic markets.

A successful new manufacturing project demands not only attention to high quality and exceptional service, but also a transportation network which benefits suppliers, manufacturers, and customers by providing a means of moving raw materials and finished product efficiently and effectively. Toledo is in the heartland of such production. Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent of these facilities are within 250 miles. Thirty-six (36) percent of U.S. and 19 percent of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, 15 percent of the U.S. and 11 percent of the Canadian populations reside within 250 miles of Toledo, and one-third of the U.S. population is within 500 miles. These significant statistics are not expected to change significantly in the next decade.

To move products to market efficiently requires a multiple-surface transportation system, including road, rail, water and air capacity. Toledo has an impressive and effective transportation network in place. To further enhance the existing network, a fifth river crossing is being constructed. Toledo is one of the leading rail centers of the United States, with existing service to major cities in all directions. The Port of Toledo is Ohio's largest and most diversified port. The Port is the largest international tonnage port on the U.S. Great Lakes. Toledo Express Airport is the commercial airport serving Northwest Ohio, providing direct service to most major U.S. cities.

Due to Toledo's strategic location, manufacturing and transportation industries will continue to be the backbone of the local economy. Automakers are increasingly using production techniques requiring just-in-time delivery systems. This enhances the Toledo area as a viable economic region due to its proximity to Detroit and other manufacturing sites. Toledo has the potential of becoming the freight-handling capital of the Midwest. A case in point is the BAX Air Express Hub at Toledo Express Airport. This project has created nine hundred jobs with significant spinoff development. Another completed project having a positive impact on area transportation efficiency is the opening of two new interchanges connecting the Ohio Turnpike (Interstates 80 & 90) to Interstate 75, including one adjacent to the Toledo Express Airport. Further, improvements to I-75 and U.S. 23 have positioned Toledo to accommodate the anticipated industrial growth.

Toledo's tax base is continuing to be strengthened via the development of new and retained employment opportunities. Many of these opportunities have come as a direct result of the City of Toledo identifying and preparing new industrial sites for development. In addition, the City is addressing Brownfield redevelopment in a collaborative partnership with property owners. Toledo will undertake a comprehensive plan which identifies remediation needs, insurance requirements and investment opportunities for a targeted 100 acres of brownfield land in the city.

The resurgence of Downtown Toledo as a premier address for new and/or expanding office, cultural and retail establishments is being recognized. In 2001, the Toledo Public Library completed work on a \$45 million expansion and renovation project at the Main Library, adding more than 271,000 square feet of library space and 300 parking spaces. The Columbus, Ohio-based Center of Science and Industry (COSI) operates a science museum in the Downtown area of the City along the Maumee River. The City donated the property for the museum to the Ohio Arts Facility Commission, which leases the museum to COSI. The museum features both permanent and traveling exhibits. The Valentine Theater, an historic theater located in the Downtown area of the City, serves as the home of the Toledo Symphony, the Toledo Ballet and the Toledo Repertoire Theater, which provide a variety of musical, dance and theatrical productions annually. The Valentine, which was rebuilt in the 1990's, contains a 900-seat auditorium, three rehearsal halls, administrative offices and state-of-the-art sound and lighting systems.

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

MAJOR INITIATIVES

City Hall has changed the way it does business—economic development is now approached in an aggressive and proactive manner. Toledoans have a strong work ethic and a proud tradition of excellence in the glass, automotive, and other industries. Our green spaces and parks are second to none. Without question, both the art museum and zoo are venues of superior quality.

A myriad of financial resources, entrepreneurial savvy, political leadership and a skilled workforce have bonded together to position Toledo for an economic renaissance. The challenge is to continue attracting vibrant new businesses while also offering creative solutions for maintaining our existing employment base. Simultaneously, with a cooperative spirit, we are laboring to make the Toledo region a center for entertainment, sports, culture, education and technology. We are making significant progress toward these goals.

The City and the City of Maumee (Maumee) have entered into cooperative agreements for the purpose of facilitating new and expanded growth for commercial and other economic development in an area in portions of Maumee, Monclova and Springfield Townships. The agreements provide for the two municipalities to share in costs of certain improvements for the area and in certain income tax revenues to be received by Maumee.

Dana Corporation recently commenced construction of a division office and research and development center for its Automotive Systems Group. That center, an approximately \$30 million, 183 square foot facility, will be located in Maumee on an approximately 30-acre site formerly owned by the City. When completed, the center is expected to employ approximately 450 workers. Under a cooperative economic development agreement between the City, Maumee and Monclova Township, the City and Maumee are to share the municipal income tax revenues from the center and employees at the center, with the City to receive approximately one-third of those revenues and Maumee two-thirds for a period of 45 years.

The City and the City of Rossford, which borders the City to the south and is in Wood County, have entered into a cooperative agreement pursuant to which the City has agreed to extend water service to an area south of Rossford considered to be a prime area for growth and economic development once annexed to Rossford. The agreement provides for the creation of a joint economic development zone comprised of that area and for the two cities to share the costs of infrastructure improvements for the area and the income tax revenues received by Rossford from businesses that locate in the zone and their employees. The City has also entered into an agreement with the City of Perrysburg for a similar joint economic development zone under similar circumstances and terms.

For the Future: The Toledo' MSA tax base continued to improve throughout 2002. The Toledo MSA population is anticipated to continue to grow throughout 2003 to an estimated 619,000. One positive result of this is Toledo continues to be recognized as a location that is amenable for economic development.

Employment in the Toledo MSA also continues on a positive growth path. City employment contributed 149,000 jobs. Part of the positive employment picture was created by the DaimlerChrysler Stickney Avenue Jeep project. That project consists of \$1.2 billion investment in the City to renovate and expand its existing Stickney Avenue plant into a 1.1 million square foot manufacturing facility. Total employment for DaimlerChrysler in 2001 equaled 4,100. The new plant was completed in 2001 and immediately began production of the best-selling Jeep Liberty. DaimlerChrysler has since completed construction of a combination crossdock and parts sequencing facility in the City to serve its plants in the Midwest. Parts from various suppliers are shipped to the crossdock facility for transshipment to DaimlerChrysler plants. A separate sequencing facility puts parts in sequence for its assembly plants in Toledo. Financing for the 100,000 square foot crossdock facility was arranged through the Port Authority. The total project cost exceeded \$30 million and the two facilities employ 250 people.

During 2002, numerous companies also benefited from City of Toledo assistance. These companies vary and include both small and large businesses, such as TRW, Modine, Aramark and Convergys Customer Management.

There also has been significant investment in retail sales facilities in and near the City in recent years, and that investment is expected to continue in the near term. Since 2000, both Lowe's Home Improvement Stores and Home Depot have opened new retail facilities in the City, and Walmart has under construction two new retail facilities in the area – one in the City and one adjacent to the City in Sylvania Township.

In 2003, major capital improvements and expansion projects were announced by the owner of the Franklin Park and Southwyck Malls in the City.

In 2002, Mercy Health Partners opened St. Anne's Mercy Community Hospital, a \$60 million, 74-bed facility. The hospital provides a comprehensive range of inpatient and outpatient health services. St. Anne Mercy has 500 full and part time employees. More than 800 physicians have admitting privileges on its medical staff.

In 2001, the ProMedica Health System completed construction of a new \$8 million emergency medical facility on the campus of its Toledo Hospital medical center and announced a comprehensive plan to replace, renovate and expand other facilities on the campus in two phases over five years. The first phase, estimated to cost \$200 million, is to include operating rooms, diagnostic areas, intensive care units and patient rooms. Construction of that phase commenced in 2002. The second phase is expected to include the construction of patient rooms in two twin towers and to commence upon completion of the first phase. The City made \$1.5 million available in 2002 for street improvements in connection with these projects.

City of Toledo neighborhoods also represent tremendous improvements and growth. The Lagrange area was awarded TEA-21 funds for a streetscape. On April 9, 2002, a new 10,000-seat County-owned baseball stadium for the Toledo Mud Hens opened in the Warehouse District of the Downtown area of the City. The Mud Hens, a Triple A baseball team, is in the Detroit Tigers farm system. The cost to complete the stadium was \$41 million.

A total of 18 private and public golf courses are located in the Toledo MSA. One of those courses, Inverness Country Club, periodically hosts major USGA and PGA Championships, and in June 2003 will host the Senior PGA Championship. An LPGA tournament is held in the area annually.

Downtown development continues. The Erie Street Market is a year-round, fresh food retail market including restaurant and market management facilities. The Libbey Factory Outlet Store sells Libbey glassware and Syracuse China dinnerware, and may eventually include a small museum and a glass blowing demonstration area. More than 300,000 visitors are expected to patronize the Market Place Development annually. The Valentine Theater, which originally opened on Christmas Day 1895, has been refurbished with \$28 million in investment. It is now completed and hosting events.

The City is presently seeking a developer for the Marina District, a \$190 million retail, commercial and residential development along the Maumee River between Main Street and Interstate 280. The developer's master plan calls for a new sports arena development, commercial office buildings, hotels, retail shops, movie theaters and approximately 350 market rate apartments.

Like many other state and local governments, the City has been affected by the downturn in the economy over the past 24 months. City officials have been and are continuing to monitor City spending and income tax collections and other revenues very closely and have taken steps in recent years to control the size and structure of the City's workforce, limit expenditures for overtime, trim support costs and eliminate expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with the projected revenues.

Many cultural and recreational opportunities are available in the City and the County. The Toledo Museum of Art, located within the City, is a privately endowed, nonprofit institution noted for the quality of its permanent collection and art education projects, as well as for its displays of traveling exhibits. In 2001, the Museum of Art celebrated its 100th anniversary and reported that it had received pledges of \$40 million toward the \$60 million goals of a capital campaign. In the past two years, the Museum has completed a major renovation and restoration of its existing facilities, dedicated a new sculpture garden and announced plans to construct a new 57,600 square foot Center for Glass, celebrating the City's role as the Glass City. The Center for Glass, scheduled for groundbreaking in 2003 and completion in 2004, will include exhibition space courtyards, a café and a state of the art glass making facility. In 2003, the Museum is one of two museums in the United States hosting an international traveling exhibition of more than 25 works by Vincent VanGogh.

In addition to activities within the area, the City of Toledo continues to work with entities such as the Regional Growth Partnership in developing national and international ties. The City of Toledo hosted business delegations from Ukraine, Japan, China, and Hungary. In addition, the City traveled to Germany to solidify its relationship with DaimlerChrysler.

DEPARTMENT FOCUS

The City of Toledo is committed to a policy and program of nondiscrimination, equal employment and equal employment opportunity in all of its decisions, programs and activities. To that end, all departments, divisions, agencies, boards, commissions, authorities and employees under the jurisdiction of the City of Toledo shall vigorously pursue the affirmative action course stated in Administrative Policy and Procedures.

The Office of Affirmative Action/Contract Compliance was established to ensure equality of opportunity, equal employment and nondiscrimination in the internal affairs of City government, as well as in relations with the public and those individuals or organizations doing business with the City of Toledo. And any and all individuals or organizations, prime or subcontractors for goods or services, doing business with the City of Toledo, are required to

pursue an affirmative action course to ensure equality of opportunity, equal employment and nondiscrimination in their business enterprise.

The Office of Affirmative Action/Contract Compliance determines if there is an underutilization of minorities, females and persons with disabilities in the City's workforce, inclusive of the administrative level. One of the main thrusts of the Office is to provide a remedy for any documented underutilization of the aforementioned individuals within the provisions of the law and City's authority and, when necessary, to provide corrective remedies consistent with the provisions of Title VII of the Civil Rights Act of 1964, as amended, and Title VII of the Civil Rights Act of 1991.

The Office of Affirmative Action/Contract Compliance is responsible for ensuring all individuals are given equal opportunity in employment, training, promotion and other job related activities regardless of their race, color, creed, sex, disability, ancestry, national origin, religion or age. Likewise, an affirmative effort shall be made to attract, recruit and hire individuals representative of those segments found to be underutilized in the City's workforce. Also, efforts must be made to develop and deliver in-service training programs deemed appropriate and necessary to foster equal opportunity to all employees for promotions. However, the overriding concern shall be to employ and promote only those individuals who are qualified for employment or promotion at the time when such employment or promotion is available.

- (a) Special consideration is to be given to applicants who are minority, female or persons with disabilities seeking employment and/or promotion, who qualify on a relatively equal basis, in order to achieve a well-integrated workforce in those areas where an imbalance exists. This will be further emphasized in those departments, divisions and agencies in which integration is nonexistent or disproportionate.
- (b) Any individual or organization, prime or subcontractor for goods and services, as well as construction firms doing business with the City of Toledo shall develop an affirmative action program and policy or adhere to the City of Toledo's Affirmative Action Plan and Policy. Prime contractors and subcontractors are required to submit a copy of their affirmative action policy to the Office of Affirmative Action/Contract Compliance for review.

The mission of the Office of Affirmative Action/Contract Compliance is to provide equal employment opportunity and career advancement in the municipal workforce so that people are considered or judged on the merits of their individual accomplishments and qualifications. It is imperative that the City of Toledo continually assess its employment rules and practices in order that all applicants and employees of municipal government are treated equally.

FINANCIAL INFORMATION

Internal Control: One of the primary objectives of the City's Accounting System is the maintenance of adequate internal controls. The internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or

disposition. Another goal is the reliability of the financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets. The City has developed the concept of reasonable assurance to recognize that the cost of controls should not exceed the benefits likely to be derived. Finally, it recognizes that the evaluation of relative control costs and benefits requires management's judgment.

Budgetary Controls: The City of Toledo maintains budgetary controls in conformity with the Ohio Revised Code. The budgetary process commences with the submission of the "Tax Budget" for the upcoming year to the County Budget Commission no later than July 20 of the current year.

The City uses the Tax Budget and departmental requests to prepare the Mayor's Estimates. This Executive Budget is presented to City Council as required by law every November. In December, City Council approves a temporary spending measure for the upcoming year, providing spending authority until an Annual Budget is approved but no later than March 31, of the ensuing year. The amount of the temporary spending measure is limited to 25% of the County Budget Commission's "Certificate of Estimated Resources," based on the July Tax Budget.

The Finance Committee of City Council immediately commences a review of the Mayor's Estimates upon approval of the temporary spending measure, conducts hearings with the various Divisions and makes various adjustments. These revised estimates are then presented by the Finance Committee to City Council which may make final changes that are incorporated into an Approved Budget.

Legislation summarizing these detailed budgets at the organizational level for personal service and other costs is then approved by City Council as required by law by March 31. Finally, the Approved Budget is submitted to the County Budget Commission to demonstrate compliance with the "Certificate of Estimated Resources."

Management exercises accounting and legal control over the budget process at various levels. Accounting control is maintained at a level of detail much greater than required by ordinance. Expenditures are controlled by organization at the line item account level. The control system is also designed to measure both expenditure and encumbrance activity and preclude approval of any activity that exceeds appropriations at the lowest managerial level of control. When these circumstances occur, management is required to either process necessary administrative budget adjustments, or present legislation as appropriate under the circumstances.

The City prepares a Special Budgetary Comparison Report that compares the level of appropriation authority to the County Budget Commission's "Certificate of Estimated Resources" to demonstrate its legal compliance. In addition, the "Certificate of Estimated Resources" is also compared on a regular and recurring basis to the estimated revenues of the City to identify additional estimated resources. When this occurs, the City prepares and submits an Amended Certificate of Estimated Resources to the County Budget Commission for approval to provide the necessary additional legal spending authority of these resources.

The Finance Department monitors the budget throughout the year with a Quarterly Budget Status Reporting System. This system measures budgeted activity with actual, and on a periodic basis is used to supplement or reduce appropriations upon proper legislative authority. These changes are incorporated in the accounting system and integrated into the accounting and compliance process.

General Governmental Functions: The following schedule presents a summary of General Fund revenues for the year ended December 31, 2002, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues and Other Financing Sources	2002 Amount	Percent of Total	Increase (Decrease) from 2001	Percent Increase (Decrease)
Income Taxes	\$ 153,965	68.15	\$ 3,054	2.02
Property Taxes	15,437	6.83	(40)	(0.26)
Licenses & Permits	1,958	0.87	(203)	(9.39)
Intergovernmental Services	24,158	10.69	(732)	(2.94)
Charges for Services	12,603	5.58	1,280	11.30
Investment Earnings	2,905	1.28	(2,400)	(45.24)
Fines and Forfeitures	3,142	1.39	(147)	(4.47)
All Other Revenues	1,463	0.65	1,414	2885.71
Other Financing Sources And Transfers In	<u>10,297</u>	<u>4.56</u>	<u>3,742</u>	<u>57.09</u>
Total Revenues & Other Financing Sources	<u>\$225,928</u>	<u>100.00</u>	<u>\$ 5,968</u>	<u>2.71</u>

Municipal Income Tax revenue increased 2.02% in 2002 from 2001. The increase can be attributed primarily to the fact that economic conditions in 2002 improved somewhat over 2001 and revenues returned to pre-recession levels.

The decrease in the Property Tax was due to a change in collection procedures by Lucas County which is the agency responsible for collections. The decline in Investment Earnings is a direct result of reduced interest rates. Most other revenue sources showed modest declines, also reflecting slower economic activity. Other financing sources increased due to an increase in transfers from the Workers Compensation Fund due to new actuarial figures. All other revenue increased due to a few large one-time donations.

Dollar Amounts in Thousands

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2002, and the percentage of increases and decreases in relation to prior year's amounts.

<u>Expenditures and Other Uses</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2001</u>	<u>Percent Increase (Decrease)</u>
General Government	\$ 20,067	8.79	\$ (574)	(2.78)
Public Service	1,844	0.81	(31)	(1.65)
Public Safety	142,222	62.31	6,831	5.05
Community Environment	5,959	2.61	321	5.69
Health	14,393	6.31	(185)	(1.27)
Parks & Recreation	4,715	2.07	(194)	(3.95)
Capital Outlay	649	0.28	(1,363)	(67.74)
Principal Retirement	2,066	0.91	(1,412)	(40.60)
Interest & Fiscal Charges	1,714	0.75	(1,089)	(38.85)
Other Financing Uses and Transfers Out	<u>34,607</u>	<u>15.16</u>	<u>147</u>	<u>43</u>
Total	<u>\$ 228,236</u>	<u>100.00</u>	<u>\$ 2,451</u>	<u>1.09</u>

The decrease in General Government is due to decreased costs in personal services, supplies and professional services.

The increase in Public Safety is due to increased costs in personal services.

The decrease in Health relates to decreased costs in personal services, supplies and professional services.

The decrease in Principal Retirement is due to the reduction of costs associated with the Government Center paid from CIP Funds.

General Fund Equity: Total fund equity in the general fund now stands at \$16,807 of which \$968 is reserved for encumbrances, \$795 is reserved for inventories and \$852 reserved for subsequent years activity, and 2,918 is reserved for landfill remediation.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. In 2002, the City utilized \$3,183 of the \$14,398 balance in that Designation to cover certain unexpected shortfalls and expenditures. As a result, the Designation decreased to \$11,215 at December 31, 2002. The City does not expect to utilize moneys in the Budget Stabilization Designation for expenditures in 2003, and, consistently with its policy of adding to the Designation set forth in an ordinance passed by the Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual General Fund revenues exceed actual annual General Fund expenditures.

Enterprise Operations: The Water Fund managed to maintain its significant ratios including Current Ratio of 1.2, Debt to Net Worth of .9, Long Term Debt to Total Capitalization of .5 and Interest Coverage of 2.8.

The overall financial strength of the Sewer Fund is clearly evident upon a look at its Balance Sheet. The Fund continues to maintain a Current Ratio of 1.3, Debt to Net Worth of .5, Long Term Debt to Total Capitalization of .4.

Water Revenue increased 9% to \$33.3 million reflective of a rate increase implemented in November 2001 and a relatively dry summer. Operating expenses for the water utility increased 8% largely due to increased payroll and depreciation expenses.

Sewer Revenue increased only 2% due to winter averaging and an economic slowdown. At the same time, operating expenditures in the sewer utility increased 10% due to additional contractual services.

Debt Administration: The City of Toledo has followed a judicious policy of issuing debt for a variety of projects. Every effort is made to find the optimal funding source for each project. Cash is considered to be the primary choice. The City used Grants, Loans, Lease Financing, Revenue Debt and General Obligation Debt when cash was not available. Although the full faith and credit of the City is pledged to repay General Obligation Debt, other revenues (from the funded project) are used when available.

At December 31, 2002, the City had a number of debt issues outstanding. These issues included \$143,207 of General Obligation Bonds and Notes. Of this, \$13,200 is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy and \$28,550 is supported by other revenue sources. In addition, the City also had outstanding \$88,937 of Revenue Debt and \$31,900 of Special Revenue Notes.

The City's General Obligation Note Program continued on competitive bid basis for unenhanced and unrated notes. Currently, \$6,125 of notes are outstanding bearing interest of 1.9%.

In 1996, a change was made in the method of funding for the Assessed Services Program. Although still using credit enhancement to reduce interest rates, the City is using a Variable Note Program with weekly interest rate resets instead of the usual six month or twelve month rates. The 2002 program was funded in the same manner. This has reduced financing costs. In July, the City fixed the interest rate for the 2001 program at 1.79% by entering into an interest rate exchange with Bank One.

In July 2002, the City issued General Obligation Bonds in the amount of \$39,780 to provide funds for Capital Improvement Projects including resurfacing and bridge improvements and to refund certain prior General Obligation Bonds.

Under the Ohio Revised Code, the City's non-exempt debt issuances (that debt which cannot be excluded from the limits because funding is provided from other sources) are subject to certain legal limits based on assessed valuation. The City's non-exempt debt of \$127,805 is well below the limits of \$220,547 of unvoted direct debt and \$421,044 of direct debt.

During 2002, the City bond ratings with Standard & Poor's rating was reaffirmed at "A," and Moody's Investors Service at "A3." The Standard & Poor's rating was with a positive outlook.

Cash Management: Cash temporarily idle during the year was invested in certificates of deposit, the State Treasurer's Investment Pool and securities issued by the U.S. Treasury, several Government Agencies/Instrumentalities and the City in compliance with the City's codified investment policy. The City's investment policy stresses minimizing credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all funds on deposit with a financial institution were either insured by federal deposit insurance or collateralized. All collateral for deposits was held in the City of Toledo's name by a financial institution acting as the City's Custodian, or by a third party trustee in a collateral pool.

The average yield on investments for 2002 was 3.24%. The City's investment performance compares favorably with the average yield on twelve month U.S. Treasury securities at 1.98%. The City earned interest income of \$7,316 on all investments for the year ending December 31, 2002. With the exception of the State Treasurer's Investment Pool, which is treated separately, virtually all of the investments held by the City during the year and at the end of the year have been classified in the category of lowest risk as defined by the Governmental Accounting Standards Board.

Risk Management: The City passed a resolution in 1984 to apply the risk management process to accidental and financial losses. It defined that process as a systematic and continuous identification of loss exposures and analysis for frequency and severity probabilities. Further, this process would include the application of sound risk control procedures and financing of risk

consistent with the City's available financial resources. The cost of financing risk internally through deductibles or self-insurance is then allocated to the appropriate funds and organizations within the City.

The Administration has implemented a risk management program through a full-time risk management commissioner, workers' compensation manager, loss control specialists and the Joint Union and Management Safety and Health Committee. The responsibility of the risk management officer includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognizant of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration knows that risk management is a "ground's-up" issue involving its employees, encourages participation and involvement. As with the JUMSHC, the T.E.A.M.S. approach provides employees a means to interact with the Administration on issues of safety while providing a forum to identify ways to reduce operational costs and enhance services to the citizens.

While the Ohio General Assembly passed several pieces of legislation to restore and afford limited sovereign immunity to political subdivisions and to provide for alternative financial payment in the form of annuity type payments, the areas of particular concern to the city's risk management program are the liability exposures and utilization of various transfer techniques, civil rights and discrimination litigation, court judgments and claims settlements, and the availability of excess liability insurance coverage. The Administration continues its commitment to limiting exposures where possible and optimizing coverage when feasible in recognition of its stewardship responsibilities.

The City continued during 2002 to participate in the State "Retrospective Rated Workers' Compensation Plan" as authorized by City Council in 1990. For each individual year of participation, the City pays a basic portion of workers' compensation premium and thereafter the costs for employee claims as they are incurred, subject to the plan's individual claim cost limitation and the City premium limitation. At the end of each individual ten-year period, a determination of retrospective premium is made and payment remitted to the State and the plan for that year is terminated. Policy years 1990 and 1991 are now terminated and payment has been remitted to the State. During 2001 and 2002, the Administration retained an independent actuary to perform an actuarial analysis of the Workers' Compensation Fund to assure financial integrity of the Fund.

OTHER INFORMATION

Independent Audit: The City of Toledo, with the approval of the Auditor of the State of Ohio, engaged the accounting firm of Clifton Gunderson LLP, to conduct its annual audit. The audit was conducted in accordance with auditing standards generally accepted in the United

States of America (GAAS) and the standards applicable to financial audits contained in government auditing standards. Additionally, for the seventeenth consecutive year, it also included the additional procedures necessary to meet the requirements of the Single Audit Act of 1984, as amended in 1996, the related Office of Management and Budget Circular A-133, and the requirements of the Auditor of the State of Ohio for legal compliance purposes. The Auditor's report on the basic financial statements and combining statements and schedules is included in the financial section of this report. The Auditors have issued an unqualified report on the City's 2002 basic financial statements.

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2001. This is the eighteenth year since 1982 that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current year comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA.

Acknowledgements: The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated service of the Division of Accounts. Our appreciation is also extended to the entire Department of Finance and the various other departments whose cooperative efforts during the course of this report's preparation made possible its completion on a timely basis.

In closing, we would like to thank the Mayor and Members of Council for their continued leadership and support.

Respectfully submitted,



John E. Bibish
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Toledo,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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

MAYOR

JACK M. FORD

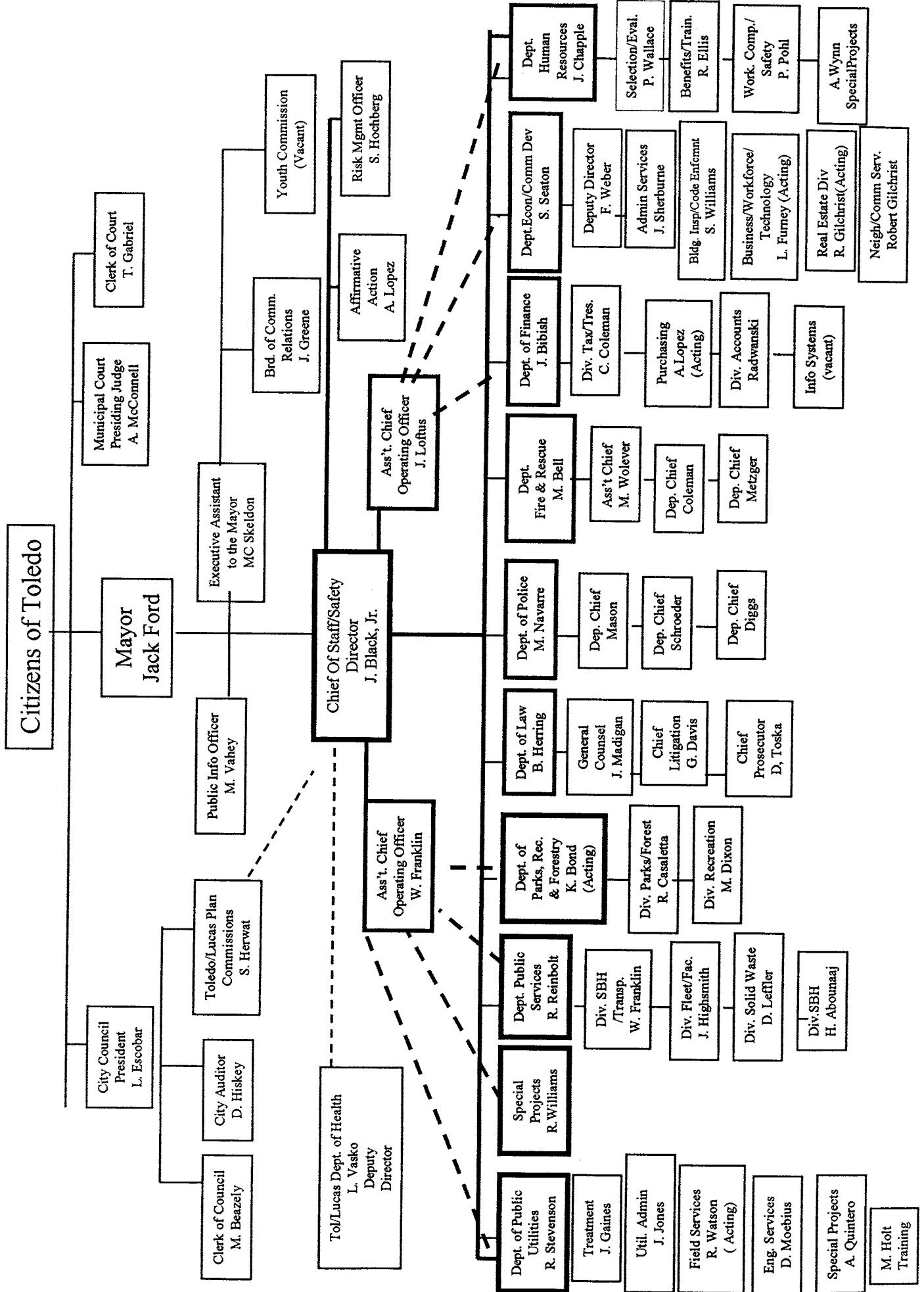
MEMBERS OF COUNCIL

<u>NAME</u>	<u>LENGTH OF SERVICE</u>
<u>At-Large Seats</u>	
Louis P. Escobar, President	Five Years
Betty Shultz	Nine Years
Peter Gerken	Six Years, Seven Months
George Sarantou	One Year
Gene Zmuda	Nine Years
<u>District Seats</u>	
1. Wilma D. Brown (West-Central)	Five Years
2. Rob Ludeman (South-West)	Nine Years
3. Robert McCloskey (East Toledo-Historic South)	Nine Years
4. Michael Ashford (Central City)	Eleven Months
5. Tina Skeldon Wozniak (North-West)	Five Years, Eight Months
6. Wade Kapszukiewicz (North Toledo-Point Place)	Four Years

CLERK OF COUNCIL

Michael J. Beazley

City of Toledo Executive Management Team



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FINANCIAL SECTION

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Toledo, Ohio, as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Toledo's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financials statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17 to the financial statements, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, for the year ended December 31, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2003, on our consideration of the City of Toledo's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison on pages F-5 through F-14 and F-79 through F-81 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Toledo's basic financial statements. The combining and individual fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Toledo, Ohio
June 11, 2003

CITY OF TOLEDO, OHIO

Management's Discussion and Analysis

As management of the City of Toledo, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2002. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City of Toledo exceeded its liabilities at the close of 2002 by \$637 million. Of this amount, \$(7) million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$(11) million. The unrestricted net assets of the City's business type activities are \$3 million and may be used to meet the on going obligations of the City's water, sewer and business-type activities. Included in liabilities in the Statement of Net Assets in the Other Debt totaling \$256 million is debt for pensions in the amount of \$13 million. This debt is supported by a separate property tax voted by the citizens of the City to fund the initial pension costs of the City's safety forces in the Ohio Police and Fire Pension Fund. The funds to be received for the debt on those pensions are sufficient to pay the net future debt payments but are not included in Taxes Receivable on the Statement of Net Assets.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$41 million. The combined governmental funds fund balance increased \$2 million from the prior year's ending fund balance. Approximately \$(6) million of the \$41 million fund balance is considered unreserved at December 31, 2002.
- The general fund reported a fund balance of \$17 million at the end of the current fiscal year. There was a \$2 million decrease in the total general fund balance for the year ended December 31, 2002.
- The City's total debt decreased by \$6 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net

assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public service, public safety, public utilities, community environment, health, and parks and recreation. The business-type activities of the City include two enterprise activities: water and sanitary sewer funds.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Toledo maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the special assessment services fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Toledo adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages F-20 through F-24 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer, and utility administrative services as well as parking, property management, and small business development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions including, municipal garage, capital replacement, storeroom and printshop, data processing, risk management and worker's compensation activities. Because the services provided by these funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provided separate information for water and sanitary sewer operations, both of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages F-26 through F-31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page F-32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-33 through F-76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages F-77 through F-81 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages F-83 through F-167 of this report.

Table 1:

City of Toledo			
Net Assets			
(amounts expressed in thousands)			
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
	<u>2002</u>	<u>2002</u>	<u>2002</u>
Current and other assets	\$ 185,801	223,807	409,608
Capital assets	399,032	394,140	793,172
<i>Total Assets</i>	<i>\$ 584,833</i>	<i>617,947</i>	<i>1,202,780</i>
Long-term liabilities outstanding	203,862	156,977	360,839
Other liabilities	91,803	113,170	204,973
<i>Total liabilities</i>	<i>\$ 295,665</i>	<i>270,147</i>	<i>565,812</i>
Net assets	\$ 289,168	347,800	636,968
Invested in capital assets, net of related debt	231,662	226,407	458,069
Restricted	68,428	117,988	186,416
Unrestricted	(10,922)	3,405	(7,517)
Total net assets	\$ 289,168	347,800	636,968

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position (See Table 1). The City's assets exceeded liabilities by \$637 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (72 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (29 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets is \$(7.5) million. The net assets of the City's business-type activities (\$3 million) may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$13 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2002. The City first implemented GASB Statement No.34, Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments in 2002, therefore comparative data is not available. In future years, when prior-year information is available, a comparative analysis of government-wide data will be presented. The City's financial position improved for both governmental-type and business-type activities.

Table 2:

City of Toledo			
Changes in Net Assets			
(amounts expressed in thousands)			
	<u>Governmental Activities</u>	<u>Business-type activities</u>	<u>Total</u>
	<u>2002</u>	<u>2002</u>	<u>2002</u>
Revenues			
Program revenues:			
Charges for services	\$ 13,502	\$ 85,901	\$ 99,403
Operating grants and contributions	20,655	-	20,655
Capital grants	9,267	-	9,267
<i>General revenues:</i>			
Income taxes	153,965	-	153,965
Grant and contributions not restricted to specific programs	38,741	1,585	40,326
Property taxes	30,948	-	30,948
Investment earnings	4,654	3,249	7,903
Other taxes	20,784	-	20,784
Other	2,970	19	2,989
Total revenues	\$ 295,486	\$ 90,754	\$ 386,240
Expenses			
General government	\$ 27,694	-	\$ 27,694
Public Service	42,036	-	42,036
Public Safety	142,256	-	142,256
Public Utilities	1,143	-	1,143
Community Environment	23,240	-	23,240
Health	16,490	-	16,490
Parks, Recreation and Forestry	7,834	-	7,834
Interest on long-term debt	15,679	9,520	25,199
Water	-	25,396	25,396
Sewer	-	34,569	34,569
Other Enterprise Funds	-	12,200	12,200
Total expenses	\$ 276,372	\$ 81,685	\$ 358,057
Increase in net assets before transfers	19,114	9,069	28,183
Transfers	(2,482)	2,482	-
Increase in net assets	16,632	11,551	28,183
Net asset - January 1st	\$ 272,536	\$ 336,249	\$ 608,785
Net asset - December 31st	\$ 289,168	\$ 347,800	\$ 636,968

Governmental activities. Public Safety accounts for \$142,256 of the \$276,372 total expenses for governmental activities, or 51% of total expenses. The next largest program is Public Service, accounting for \$42,036 representing 15% of total governmental expenses.

Income tax revenue accounts for \$153,965 of the \$295,486 total revenue for governmental activity, or 52% of total revenue. Property taxes and Assessments account for \$51,732 or 17% of total revenue and Intergovernmental Services accounts for \$38,741 or 14% of total governmental revenue, and Grants of \$29,922 account for 10% of total governmental revenue.

The City's charges for services made up \$13,502 or 5% of total governmental revenue. These charges are for user fees, fines and forfeitures, and licenses and permits associated with building inspection.

Business-type activities. The net assets for the business-type activities for the City increased by \$11,551 during the year 2002. Major revenue sources were charges for service of \$85,901.

- Charges for services increased \$3 million offset by a total decrease in investment earnings and other revenue of approximately \$2 million.
- Expenses increased \$5 million. Transfers increased \$5 million thereby leaving net income consistent with 2001.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2002, the City's governmental funds reported combined ending fund balances of \$41 million, an increase of \$2 million in comparison with the prior year. Approximately \$(6) million of this amount constitutes *unreserved fund balance*, that is mainly due to Special Assessment Fund deferred revenue. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable.

The general fund is the chief operating fund of the City. At December 31, 2002, total fund balance was \$17 million.

The fund balance of the City's general fund decreased by \$3 million during 2002. Key factors in this decline are as follows:

- Revenues increased only \$2 million or 1 percent. Expenditures increased by \$2 million or 1 percent and the City utilized 3.18 million of its Budget Stabilization Reserve.

- The unusually small increase in revenues is attributed to the minimal increase in income tax revenues for 2002. In the governmental fund statements, income tax revenue in the general fund, reported on the modified accrual basis of accounting, increased only 2 percent. Investment earnings decreased by \$2 million while Public Safety costs increased by \$6.8 million.

The capital improvement fund has a total fund balance of \$41 million. The net increase in fund balance during 2002 in this fund was approximately \$3 million.

The special assessment services fund has a total fund balance of \$(33) million. The net increase in fund balance during 2002 in this fund was approximately \$1 million. Receivables of \$38 million for Special Assessments are offset by the same amount of Deferred Revenue.

Enterprise funds. The City's enterprise funds provide the same information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$(18) million and unrestricted net assets for the Sewer System was \$4 million. The total change in net assets for these were \$8.3 million and \$(1.1) million respectively.

The Water fund managed to maintain all significant ratios including a Current Ratio of 1.2, Debt to Net Worth of .9, Long Term Debt to Total Capitalization of .5, and Debt Service Coverage Ratio of 2.8.

The Sewer fund maintained its significant ratios including Current Ratio of 1.3, Debt to Net Worth of .5, Long Term Debt to Total Capitalization of .4, and Debt Service Coverage Ratio of 2.28.

Water revenue increased 9 percent to \$33.3 million reflective of a rate increase implemented in November 2001 and a relatively dry summer. Operating expenses for the water utility increased 8 percent largely due to increased payroll and depreciation expenses.

Sewer revenue increased only 2 percent due to winter averaging and an economic slowdown. At the same time operating expenditures in the sewer utility increased 10 percent due to additional contractual services.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriation of approximately \$4 million more than the original budget. The total original appropriations, including those for transfers out, were \$227 million, while the final appropriations were \$231 million. \$3 million of the difference is related to increases in employee medical insurance and the remaining increase of

approximately \$1 million was for increases in operating transfers. The increase in appropriation was budgeted from available fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2002, amounts to \$793 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, improvements, machinery and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City's investment in capital assets for 2002 was 3 percent (a 2 percent increase for governmental activities and a 3 percent increase for business-type activities).

Table 3:

City of Toledo						
Capital Assets, net of depreciation.						
(amounts expressed in thousands)						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land	\$ 24,781	24,781	10,637	10,704	35,418	35,485
Buildings	22,326	25,244	39,448	42,017	61,774	67,261
Improvements other than buildings	28,273	28,097	33,533	38,805	61,806	63,902
Machinery and equipment	23,274	17,088	50,256	52,029	73,530	69,117
Infrastructure	286,927	282,742	179,511	155,687	466,438	438,429
Construction in progress	-	-	80,755	86,378	80,755	86,378
Total	\$ 385,581	\$ 377,952	\$ 394,140	\$ 382,620	\$ 779,721	\$760,572

Governmental activities capital assets are exclusive of Internal Service Fund capital assets of \$13,450 million (net of accumulated depreciation) as of December 31, 2002. The Internal Service Fund capital assets are, however included as governmental activities in the statement of net assets.

Major capital asset events during 2002 included the following:

- Total capital assets, net of accumulated depreciation, increased \$19 million.
- Business-type activity capital assets increased by \$12 million.
- Governmental activity capital assets increased by \$8 million.

Additional information on the City's capital assets can be found in Note F on pages F-55 through F-56 of this report.

Long-term debt. At December 31, 2002, the City, the primary government, had \$416,794 of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$137,082 and \$6,125 respectively. All assessment bonds issued by the City are also general obligation bonds and are included herein. The remainder of the City's

debt represents bonds secured by specified revenue sources (i.e. revenue bonds) and other sources of the City.

Table 4:

City of Toledo						
General Obligation and Revenue Bonds Outstanding						
(amounts expressed in thousands)						
	Governmental activities		Business-type activities		Total	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
General obligation bonds and notes	\$ 115,633	111,383	27,574	30,106	143,207	141,489
Revenue bonds and notes	31,900	32,000	88,937	94,996	120,837	126,996
Total	\$ 147,533	143,383	116,511	125,102	264,044	268,485

Total long-term bonds and loans outstanding at December 31, 2002 decreased slightly over December 31, 2001 according to plan.

In August 2002, the City refunded several of its outstanding bonds in order to achieve favorable interest rates.

- The City refunded four of its general obligation bond issues resulting in an economic gain of \$1,127 thousand.

The City is rated A by Standard & Poor's Corporation and A3 by Moody's Investor Services. The City's bond ratings are shown in the following table. The City of Toledo generally obtains bond insurance for its bonds. Ratings for specific bond issues can be found in the statistical section.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2002 the City's total net debt amounted to 7 % of the total assessed value of all property within the City. Unvoted net debt amounted to 2 % of the total assessed value of all property within the City. The City had a legal debt margin for total debt of \$ 92,573 and a legal debt margin for unvoted debt of \$ 293,070. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Toledo lies, is limited to 10 mills. This millage is measured against the property values in each overlapping district.

Additional information regarding the City's long-term debt can be found in Note 8 on pages F57 through F-67 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2002 budget. The events of September 11, 2001 and the impact of those events on the economy had a significant influence on the objectives that the City set for the 2003 budget: jobs, safety and long-term fiscal stability. With the uncertainty surrounding the economy, the City considered the impact on two primary revenue sources: income tax revenue and state shared revenue. City Council decided that it was important to: 1) continue the City's investment in job creation; 2) put the highest premium on safety for the people of Toledo and City employees; and 3) adopt a budget designed to promote long-term fiscal stability and maintain budget reserves. In order to meet the objectives of the 2003 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources. The total 2003 General Fund budget amounts to \$ 225 million.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 1 Government Center., Suite 2020, Toledo, OH 43604.

BASIC FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

	Primary Government		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	
ASSETS			
Equity in Pooled Cash	\$ 36,719	\$ 1,286	\$ 38,005
Other Cash	146	4	150
Investments	4,740	82,928	87,668
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	31,496	---	31,496
Accounts	4,320	12,954	17,274
Special Assessments	40,579	---	40,579
Notes	646	21,344	21,990
Interfund Receivable	31,731	---	31,731
Due from Other Governments	---	99	99
Prepays	393	192	585
Inventory of Supplies	4,033	2,709	6,742
Restricted Assets:			
Equity in Pooled Cash	---	28,650	28,650
Other Cash	190	74	264
Investments	30,422	22,252	52,674
Receivables (Net of Allowance For Uncollectible Accounts)	---	92	92
Interfund Receivable	---	50,384	50,384
Net Property, Plant and Equipment	399,032	394,140	793,172
Deferred Debt Issuance Cost	<u>386</u>	<u>839</u>	<u>1,225</u>
 Total Assets	 <u>\$ 584,833</u>	 <u>\$ 617,947</u>	 <u>\$1,202,780</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

	Primary Government		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	
LIABILITIES			
Accounts Payable	\$ 10,502	\$ 1,502	\$ 12,004
Escrow	15,215	24	15,239
Retainages	370	16	386
Interfund Payable	---	82,059	82,059
Due to Other Governments	106	347	453
Other Current Liabilities	13,110	488	13,598
Payable from Restricted Assets:			
Accounts Payable	---	2,013	2,013
Escrow	94	12,777	12,871
Retainages	---	1,270	1,270
Interfund Payable	---	54	54
Due to Other Governments	---	127	127
Other Current Liabilities	---	1,737	1,737
Other Debt:			
Due within One Year	36,307	10,756	47,063
Due in More Than One Year	<u>219,961</u>	<u>156,977</u>	<u>376,938</u>
 Total Liabilities	 295,665	 270,147	 565,812
NET ASSETS			
Invested in capital assets, net of related debt	231,662	226,407	458,069
Restricted for:			
Debt Service	(2,397)	10,851	8,454
Replacement	---	59,506	59,506
Capital Improvements	41,037	47,631	88,668
Special Revenue & Permanent Fund	17,721	---	17,721
General Fund – Designated for future years' expenditures	852	---	852
General Fund – Designated for Budget Stabilization	11,215	---	11,215
Unrestricted	<u>(10,922)</u>	<u>3,405</u>	<u>(7,517)</u>
 Total Net Assets	 <u>\$ 289,168</u>	 <u>\$ 347,800</u>	 <u>\$ 636,968</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF ACTIVITIES
YEAR-ENDED DECEMBER 31, 2002
(Amounts in Thousands)

	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government:							
Governmental Activities:							
General Government	\$ 27,694	\$ 5,928	\$ ---	\$ 305	\$ (21,461)	\$ ---	\$ (21,461)
Public Service	42,036	20	22	4,254	(37,740)	---	(37,740)
Public Safety	142,256	3,634	1,770	---	(136,852)	---	(136,852)
Public Utilities	1,143	---	---	---	(1,143)	---	(1,143)
Community Environment	23,240	2,539	16,523	3,943	(235)	---	(235)
Health	16,490	891	2,320	125	(13,154)	---	(13,154)
Parks and Recreation	7,834	490	20	640	(6,684)	---	(6,684)
Interest and Fiscal Charges	15,679	---	---	---	(15,679)	---	(15,679)
Total Governmental Activities	\$ 276,372	\$ 13,502	\$ 20,655	\$ 9,267	\$ (232,948)	\$ ---	\$ (232,948)
Business-Type Activities:							
Water	28,444	33,614	---	---	---	5,170	5,170
Sewer	38,420	34,464	---	---	---	(3,956)	(3,956)
Storm Utility	3,576	7,686	---	---	---	4,110	4,110
Utilities Administration	8,072	7,641	---	---	---	(431)	(431)
Parking	1,267	1,317	---	---	---	50	50
Property Management	1,856	1,117	---	---	---	(739)	(739)
Small Business Development	50	62	---	---	---	12	12
Total Business-Type Activities	\$ 81,685	\$ 85,901	\$ ---	\$ ---	\$ ---	\$ 4,216	\$ 4,216
Total Primary Government	\$ 358,057	\$ 99,403	\$ 20,655	\$ 9,267	\$ (232,948)	\$ 4,216	\$ (228,732)
General Revenues:							
Income Taxes					153,965	---	153,965
Property Taxes					30,948	---	30,948
Special Assessments					18,817	---	18,817
Licenses and Permits					1,967	---	1,967
Intergovernmental Services					38,741	---	38,741
Unrestricted Investments Earnings					4,654	3,249	7,903
Miscellaneous/Gain on Sale of Fixed Assets					2,970	19	2,989
State Grants					---	1,585	1,585
Transfers					(2,482)	2,482	---
Total General Revenues, Special Items and Transfer					\$ 249,580	\$ 7,335	\$ 256,915
Changes in Net Assets							
Net Assets - Beginning					16,632	11,551	28,183
Net Assets - Ending					272,536	336,249	608,785
Total					\$ 289,168	\$ 347,800	\$ 636,968

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

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**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
ASSETS			
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---
Other Cash	145	---	---
Investments	---	---	---
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	31,496	---	---
Accounts	1,270	566	9
Special Assessments	---	---	38,280
Notes	---	---	---
Interfund Receivable	11,409	26,231	740
Due from Other Governments	---	---	---
Prepays	61	187	---
Inventory of Supplies	795	980	1,005
Restricted Assets:			
Other Cash	---	---	---
Investments	3,101	23,182	3,727
Total Assets	<u>\$ 48,277</u>	<u>\$ 51,146</u>	<u>\$ 43,761</u>
LIABILITIES			
Accounts Payable	2,663	4,859	489
Escrow	11,409	1,285	740
Retainages	---	361	---
Interfund Payable	1,493	---	5,323
Due to Other Governments	---	9	95
Deferred Revenue	15,510	---	38,280
Other Current Liabilities	300	---	---
Payable from Restricted Assets:			
Escrow	94	---	---
Debt:			
Notes Payable	---	3,300	31,900
Total Liabilities	<u>\$ 31,469</u>	<u>\$ 9,814</u>	<u>\$ 76,827</u>
FUND BALANCES			
Fund Balances (Deficit):			
Reserved for Encumbrances	967	15,059	14
Reserved for Inventory of Supplies	795	979	1,005
Reserved for Capital Improvements	---	16,178	---
Reserved for Long-Term Notes Receivable	---	---	---
Reserved for Debt Service	---	---	---
Reserved for Prepays	61	187	---
Reserved for Landfill Remediation	2,918	---	---
Unreserved, Reported As:			
Designated for Future Years' Expenditures	852	---	---
Designated for Budget Stabilization	11,215	---	---
Capital Improvements	---	8,929	---
Special Assessments	---	---	(34,805)
Permanent Funds	---	---	---
Total Fund Balances	<u>16,808</u>	<u>41,332</u>	<u>(33,066)</u>
Total Liabilities and Fund Balance	<u>\$ 48,277</u>	<u>\$ 51,146</u>	<u>\$ 43,761</u>

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

**CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Equity in Pooled Cash	\$ 11,621	\$ 11,621
Other Cash	1	146
Investments	4,740	4,740
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	---	31,496
Accounts	2,475	4,320
Special Assessments	2,299	40,579
Notes	646	646
Interfund Receivable	---	38,380
Prepays	145	393
Inventory of Supplies	536	3,316
Restricted Assets:		
Other Cash	190	190
Investments	412	30,422
Total Assets	<u>\$ 23,065</u>	<u>\$ 166,249</u>
LIABILITIES		
Accounts Payable	1,741	9,752
Escrow	436	13,870
Retainages	9	370
Interfund Payable	1,273	8,089
Due to Other Governments	2	106
Deferred Revenue	2,299	56,089
Other Current Liabilities	---	300
Payable from Restricted Assets:		
Escrow	---	94
Debt:		
Notes Payable	1,440	36,640
Total Liabilities	<u>\$ 7,200</u>	<u>\$ 125,310</u>
FUND BALANCES		
Fund Balances (Deficit):		
Reserved for Encumbrances	7,661	23,701
Reserved for Inventory of Supplies	537	3,316
Reserved for Capital Improvements	---	16,178
Reserved for Long-Term Notes Receivable	713	713
Reserved for Debt Service	76	76
Reserved for Prepays	145	393
Reserved for Landfill Remediation	---	2,918
Unreserved, Reported As:		
Designated for Future Years' Expenditures	222	1,074
Designated for Budget Stabilization	---	11,215
Capital Improvements	(1,376)	7,553
Special Assessments	7,176	(26,909)
Permanent Funds	711	711
Total Fund Balances	<u>15,865</u>	<u>40,939</u>
Total Liabilities and Fund Balance	<u>\$ 23,065</u>	<u>\$ 166,249</u>

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

**CITY OF TOLEDO, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

Total governmental fund balances	\$	40,939
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		385,581
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of the net assets.		25,795
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.		386
Long-term liabilities, including bonds payable, OWDA loans, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported on the funds.		(219,622)
Special assessment tax revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements.		<u>56,089</u>
Net assets of government activities	\$	<u><u>289,168</u></u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Income Taxes	\$ 153,965	\$ ---	\$ ---	\$ ---	\$ 153,965
Property Taxes	15,437	---	---	---	15,437
Special Assessments	---	---	18,870	477	19,347
Licenses and Permits	1,958	---	---	9	1,967
Intergovernmental Services	24,158	9,267	---	31,458	64,883
Charges for Services	12,603	96	320	627	13,646
Investment Earnings	2,905	1,182	161	406	4,654
Fines and Forfeitures	3,142	---	---	494	3,636
All Other Revenue	<u>1,463</u>	<u>341</u>	<u>---</u>	<u>1,149</u>	<u>2,953</u>
Total Revenues	<u>\$ 215,631</u>	<u>\$ 10,886</u>	<u>\$ 19,351</u>	<u>\$ 34,620</u>	<u>\$ 280,488</u>
EXPENDITURES:					
Current:					
General Government	\$ 20,067	\$ ---	\$ 69	\$ 687	\$ 20,823
Public Service	1,844	---	16,444	9,394	27,682
Public Safety	142,222	---	---	1,890	144,112
Public Utilities	---	---	---	1,149	1,149
Community Environment	5,959	---	---	16,370	22,329
Health	14,393	---	501	1,136	16,030
Parks & Recreation	4,715	---	112	182	5,009
Capital Outlay	649	32,217	36	1,672	34,574
Debt Service:					
Principal Retirement	2,066	3,594	41	9,845	15,546
Interest & Fiscal Charges	<u>1,714</u>	<u>2,910</u>	<u>1,235</u>	<u>8,037</u>	<u>13,896</u>
Total Expenditures	<u>\$ 193,629</u>	<u>\$ 38,721</u>	<u>\$ 18,438</u>	<u>\$ 50,362</u>	<u>\$ 301,150</u>
Excess (Deficiency) of					
Revenues over Expenditures	<u>22,002</u>	<u>(27,835)</u>	<u>913</u>	<u>(15,742)</u>	<u>(20,662)</u>
Other Financing Sources (Uses):					
Transfers In	10,154	34,883	733	17,238	63,008
Transfers (Out)	(34,607)	(14,669)	(8)	(4,481)	(53,765)
Refunding Bonds Issued	---	---	---	32,566	32,566
Bond Proceeds	---	10,200	---	70	10,270
Note Proceeds	66	96	---	---	162
Premiums on Bonds	---	87	---	3,391	3,478
Payment to Refunded Bond					
Escrow Agent	---	---	---	(32,566)	(32,566)
Sale of Fixed Assets	76	15	---	18	109
Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>(324)</u>	<u>(324)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>\$ (24,311)</u>	<u>\$ 30,612</u>	<u>\$ 725</u>	<u>15,912</u>	<u>\$ 22,938</u>
Net Change in Fund Balance	(2,309)	2,777	1,638	170	2,276
Fund Balances (Deficit) at					
Beginning of Year	19,494	38,381	(34,114)	15,637	39,398
Increase in Reserve for Inventory	<u>(378)</u>	<u>174</u>	<u>(590)</u>	<u>58</u>	<u>(736)</u>
Fund Balance (Deficit) at					
Year-End	<u>\$ 16,807</u>	<u>\$ 41,332</u>	<u>\$ (33,066)</u>	<u>\$ 15,865</u>	<u>\$ 40,938</u>

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

CITY OF TOLEDO, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

Net change in fund balances – total governmental funds \$ 2,276

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$34,574) exceeded depreciation (\$26,745) in the current period. 7,829

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 15,316

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. Whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt. 85

The net loss of certain activities of internal service funds is reported with governmental activities. (8,874)

Change in net assets of governmental activities. \$ 16,632

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

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**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2002
 (AMOUNTS IN THOUSAND)**

Business-Type Activities – Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
ASSETS					
Current Assets					
Equity in Pooled Cash	\$ ---	\$ ---	\$ 1,286	\$ 1,286	\$ 25,098
Other Cash	3	---	1	4	---
Investments	40,324	29,343	13,261	82,928	---
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	5,071	6,390	1,493	12,954	1
Notes	---	---	21,344	21,344	---
Due from Other Governments	11	75	13	99	---
Prepaid Expenses	97	47	48	192	---
Inventory of Supplies	<u>2,140</u>	<u>562</u>	<u>7</u>	<u>2,709</u>	<u>717</u>
Total Current Assets	<u>47,646</u>	<u>36,417</u>	<u>37,453</u>	<u>121,516</u>	<u>25,816</u>
Restricted Assets:					
Equity in Pooled Cash	12,020	10,761	5,869	28,650	---
Other Cash	70	4	---	74	---
Investments	15,183	6,403	666	22,252	---
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	55	37	---	92	---
Interfund Receivable	<u>30,713</u>	<u>19,671</u>	<u>---</u>	<u>50,384</u>	<u>---</u>
Total Restricted Assets	<u>58,041</u>	<u>36,876</u>	<u>6,535</u>	<u>101,452</u>	<u>---</u>
Property, Plant and Equipment					
Land	1,762	163	8,712	10,637	350
Buildings	13,829	32,747	34,231	80,807	1,111
Improvements	11,217	51,504	5,976	68,697	335
Machinery and Equipment	21,767	77,950	1,259	100,976	54,962
Furniture and Fixtures	405	948	617	1,970	99
Distribution System	113,619	223,688	---	337,307	---
Construction in Progress	26,752	48,366	5,637	80,755	---
Less: Accumulated Depreciation	<u>(72,798)</u>	<u>(202,508)</u>	<u>(11,703)</u>	<u>(287,009)</u>	<u>(43,407)</u>
Net Property, Plant, and Equipment	<u>116,553</u>	<u>232,858</u>	<u>44,729</u>	<u>394,140</u>	<u>13,450</u>
Other Assets:					
Deferred Debt Issuance Cost	<u>478</u>	<u>361</u>	<u>---</u>	<u>839</u>	<u>---</u>
Total Assets	<u>\$ 222,718</u>	<u>\$ 306,512</u>	<u>\$ 88,717</u>	<u>\$ 617,947</u>	<u>\$ 39,266</u>

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

**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2002
 (AMOUNTS IN THOUSAND)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 813	\$ 506	\$ 183	\$ 1,502	\$ 750
Escrow	---	---	24	724	1,345
Retainages	---	16	---	16	---
Interfund Payable	39,439	27,363	13,705	80,507	115
Due to Other Governments	288	59	---	347	---
Other Current Liabilities	---	435	53	488	12,810
Total Current Liabilities	<u>40,540</u>	<u>28,379</u>	<u>13,965</u>	<u>82,884</u>	<u>15,020</u>
Payable from Restricted Assets:					
Accounts Payable	594	1,106	313	2,013	---
Escrow	6,175	6,602	---	12,777	---
Retainages	467	628	175	1,270	---
Interfund Payable	---	54	---	54	---
Due to Other Governments	14	113	---	127	---
Other Current Liabilities	451	1,286	---	1,737	---
Total Current Liabilities from Restricted Assets	<u>7,701</u>	<u>9,789</u>	<u>488</u>	<u>17,978</u>	<u>---</u>
Debt:					
Current Portion	2,650	4,901	3,205	10,756	1
Notes Payable	397	34,015	---	34,412	---
General Obligation Bonds Payable	---	---	28,173	28,173	---
Revenue Bonds Payable	53,330	30,281	---	83,611	2
Capital Lease Obligation	---	---	10,781	10,781	2
Total Long-Term Liabilities	<u>56,377</u>	<u>69,197</u>	<u>42,159</u>	<u>167,733</u>	<u>5</u>
Total Liabilities	<u>104,618</u>	<u>107,365</u>	<u>56,612</u>	<u>268,595</u>	<u>15,025</u>
NET ASSETS					
Invested in Capital Assets net of related debt:	60,176	163,661	2,570	226,407	13,445
Reserved for Debt Service	6,394	4,327	130	10,851	---
Reserved for Replacement	29,696	27,656	2,154	59,506	2,000
Reserved for Improvement	39,191	(778)	9,218	47,631	---
Unrestricted	(17,357)	4,281	18,033	4,957	8,796
Total Net Assets	<u>\$ 118,100</u>	<u>\$ 199,147</u>	<u>\$ 32,105</u>	<u>\$ 349,352</u>	<u>\$ 24,241</u>
Adjustment to consolidate the internal services fund activities				(1,552)	
Total net assets per the government-wide Statement of Net Assets				<u>\$ 347,800</u>	

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

**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2002
 (AMOUNTS IN THOUSAND)**

	<u>Business-Type Activities – Enterprise Funds</u>				Governmental Activities – Internal Service Funds
	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	
Operating Revenues:					
Charges for Services	\$ 33,257	\$ 34,463	\$ 16,824	\$ 84,544	\$ 18,592
Other Revenue	<u>357</u>	<u>---</u>	<u>999</u>	<u>1,356</u>	<u>1,339</u>
Total Operating Revenues	<u>33,614</u>	<u>34,463</u>	<u>17,823</u>	<u>85,900</u>	<u>19,931</u>
Operating Expenses:					
Personal Services	9,600	11,807	7,651	29,058	5,244
Contractual Services	6,219	8,515	2,724	17,458	6,864
Materials and Supplies	3,317	2,197	529	6,043	3,955
Utilities	2,324	2,412	81	4,817	86
Depreciation and Amortization	<u>3,161</u>	<u>8,859</u>	<u>1,215</u>	<u>13,235</u>	<u>2,738</u>
Total Operating Expenses	<u>24,621</u>	<u>33,790</u>	<u>12,200</u>	<u>70,611</u>	<u>18,887</u>
Operating Income (Loss)	<u>8,993</u>	<u>673</u>	<u>5,623</u>	<u>15,289</u>	<u>1,044</u>
Nonoperating Revenues (Expenses):					
Investment Earnings	1,415	992	842	3,249	---
Interest Expense and Fiscal Charges	(3,048)	(3,851)	(2,621)	(9,520)	---
Sale of Fixed Assets	---	---	1,204	1,204	---
State Grants	---	---	1,585	1,585	---
Other Revenue (Expenses)	<u>---</u>	<u>12</u>	<u>(1,198)</u>	<u>(1,186)</u>	<u>253</u>
Total Nonoperating Revenues (Expenses)	<u>(1,633)</u>	<u>(2,847)</u>	<u>(188)</u>	<u>(4,668)</u>	<u>253</u>
Income (Loss) before Transfers	6,584	(2,950)	6,630	10,621	1,297
Transfers In	1,011	1,178	1,086	3,275	2,488
Transfers (Out)	<u>(14)</u>	<u>(117)</u>	<u>(662)</u>	<u>(793)</u>	<u>(14,212)</u>
Total Transfers In (Out)	<u>997</u>	<u>1,061</u>	<u>424</u>	<u>2,482</u>	<u>(11,724)</u>
Change in Net Assets	8,357	(1,113)	5,859	13,103	(10,427)
Net Assets					
at Beginning of Year (as Restated Note 17)	<u>109,743</u>	<u>200,260</u>	<u>26,246</u>		<u>34,668</u>
Net Assets at End of Year	<u>\$ 118,100</u>	<u>\$ 199,147</u>	<u>\$ 32,105</u>		<u>\$ 24,241</u>
Adjustment to consolidate the internal service fund activities				<u>(1,552)</u>	
Total change in net assets of business-type activities				<u>\$ 11,551</u>	

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

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City of Toledo, Ohio
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(Amounts in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity					
Receipts from Customers	\$ 33,257	\$ 34,717	\$ 16,810	\$ 84,784	\$ 18,677
Payments to Suppliers	(10,239)	(9,903)	4,227	(15,915)	(8,939)
Payment to Employees	(9,600)	(11,807)	(7,651)	(29,058)	(5,244)
Internal Activity	-	-	-	-	1,339
Other Payments	56	-	2,817	2,873	-
Net Cash Provided by (Used for) Operating Activity	<u>13,474</u>	<u>13,007</u>	<u>16,203</u>	<u>42,684</u>	<u>5,833</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	1,011	1,178	1,086	3,275	2,488
Transfers Out	(14)	(117)	(662)	(793)	(14,212)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>997</u>	<u>1,061</u>	<u>424</u>	<u>2,482</u>	<u>(11,724)</u>
Cash Flows from Capital & Related Financing Activities					
Acquisition and Construction of Capital Assets	(10,310)	(8,569)	(5,941)	(24,820)	(2,044)
Principal Paid on Bond Maturities	(2,795)	(4,702)	(1,939)	(9,436)	(2)
Issuance of Revenue Bonds and Notes	-	3,147	-	3,147	-
Interest Expense and Fiscal Charges	(3,048)	(3,851)	(2,621)	(9,520)	-
Proceeds from Sale of Capital Assets	-	-	1,203	1,203	254
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(16,153)</u>	<u>(13,975)</u>	<u>(9,298)</u>	<u>(39,426)</u>	<u>(1,792)</u>
Cash Flows from Investing Activities					
(Purchase) of Investment Securities	(99,695)	(7,310)	(77,123)	(184,128)	-
Sale and Maturities of Investment Securities	102,304	8,313	75,091	185,708	-
Investment Earnings and Dividends on Investments	1,415	992	842	3,249	-
Net Cash Provided by (Used for) Investing Activities	<u>4,024</u>	<u>1,995</u>	<u>(1,190)</u>	<u>4,829</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	<u>2,342</u>	<u>2,088</u>	<u>6,139</u>	<u>10,569</u>	<u>(7,683)</u>
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	<u>9,751</u>	<u>8,677</u>	<u>1,016</u>	<u>19,444</u>	<u>32,781</u>
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	<u>\$ 12,093</u>	<u>\$ 10,765</u>	<u>\$ 7,155</u>	<u>\$ 30,013</u>	<u>\$ 25,098</u>

City of Toledo, Ohio
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:					
Operating Income (Loss)	\$ 8,993	\$ 673	\$ 5,623	\$ 15,289	\$ 1,044
Adjustments to Reconcile Operating Income (Loss)					
To Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	3,161	8,859	1,216	13,236	2,738
Other Revenues (Expenses)	-	12	387	399	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(301)	254	1,366	1,319	51
(Increase) Decrease in Prepaid Expenses	(83)	30	74	21	-
(Increase) Decrease in Interfund Receivable	(5,239)	30	3,921	(1,288)	-
(Increase) Decrease in Due from Other Governments	3	5	(13)	(5)	-
(Increase) Decrease in Deferred Debt Issuance Costs	30	33	-	63	-
(Increase) Decrease in Inventory of Supplies	130	72	-	202	48
Increase (Decrease) in Accounts Payable	555	(7)	445	993	300
Increase (Decrease) in Escrow	298	142	(4)	436	-
Increase (Decrease) in Retainage	6	(364)	175	(183)	-
Increase (Decrease) in Interfund Payable	5,622	3,082	3,013	11,717	(706)
Increase (Decrease) in Other Current Liabilities	299	186	-	485	2,358
	<u>4,481</u>	<u>12,334</u>	<u>10,580</u>	<u>27,395</u>	<u>4,789</u>
Total Adjustments					
Net Cash Provided by (Used for) Operating Activities	<u>\$ 13,474</u>	<u>\$ 13,007</u>	<u>\$ 16,203</u>	<u>\$ 42,684</u>	<u>\$ 5,833</u>

CITY OF TOLEDO, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

	<u>Total</u>
ASSETS	
Equity in Pooled Cash	\$ 756
Investments at Cost	<u>931</u>
Total Assets	\$ 1,687
 LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts Payable	41
Escrow	931
Other Current Liabilities	<u>715</u>
Total Liabilities	\$ 1,687
Net Assets	<u>\$ ---</u>

NOTES TO THE FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead of *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

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

Income taxes, property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* accounts for construction, improvement and acquisition of buildings and infrastructure.

The *special assessment services fund* accounts for the proceeds of special assessments (and related note sales) levies against property benefited from City services.

The government reports the following major proprietary funds:

The *water and sewer funds* account for the activities of these funds. These funds operate the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the government reports the following fund types:

Internal service funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Fiduciary Fund assets and liabilities are recognized on the modified accrual basis of accounting since these Funds are custodial in nature and do not involve measurement of results of operations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

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

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

D. Basis of Financial Statement Presentation - Fund Accounting

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

Governmental Funds

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

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

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

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

Proprietary Funds

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector.

Proprietary Funds are accounted for on a "cost of service" or "capital maintenance" measurement focus. This means that all assets and liabilities associated with their activity are included on their balance sheets, and operating statements present increases and decreases in total net assets. The following are the City's Proprietary Fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

E. Annual Budget Process

An annual budget is prepared for all Governmental funds of the City. All budgets are adopted on a basis consistent with GAAP. Budgetary comparisons presented in this report are on this budgetary basis.

The City's budgetary process is as follows:

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

E. Annual Budget Process (Continued)

Budget - A tax budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources, which states the projected revenue of each Fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditure from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the certificate is amended to include any unencumbered balances from the preceding year.

Appropriations - A temporary appropriation measure to control disbursements may be passed on or about January 1 of each year for the period from January 1 to March 31. During this period, the Administration presents an Executive Budget that is reviewed by City Council for its revision and approval. Upon completion of City Council's review, the revised Executive Budget is summarized into an ordinance which is approved by City Council to provide expenditure authority for an Appropriated Budget. This ordinance receives City Council approval no later than March 31 for the annual period ending December 31. During the year as additional information became available, City Council approved transfers, allocations, supplemental appropriations, and the reappropriation of encumbrances carried over from the prior year. Appropriations did not exceed estimated resources and all original appropriation authority resides with City Council. Management retains administrative authority to transfer existing appropriation authority under \$25 within personal services and between other account codes within an organization in a fund.

Budgetary Level of Control - The City is required by Ohio Law to establish annual appropriations for all necessary Funds. These appropriated budgets affect legal control at various levels for individual Funds. Budgetary control is exercised for the General Fund, Special Revenue Funds, and Debt Service Funds at the organizational level distinguishing between personal services and other expenditures. Budgetary control of grant funds is exercised by individual grant for each organization at the personal services and other level. Capital Projects Funds are legislatively controlled by individually approved projects for each organization. Expenditures may not legally exceed appropriations at this level.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

E. Annual Budget Process (Continued)

The City meets its legal compliance requirements to report at the budgetary level of control with the City of Toledo's Special Budgetary Comparison Report (SBCR). The SBCR reports at the appropriate budgetary level of control for Governmental Funds on a GAAP basis. Because of the complexity of the budgetary control requirement, presentation of budget versus actual financial results in this CAFR would be very detailed and voluminous. Therefore, as permitted by GAAP, the SBCR for the year ended December 31, 2002 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is reappropriated.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Proprietary and Nonexpendable Trust Funds consider Equity in Pooled Cash and Other Cash to be cash equivalents.

G. Investments

Investments consist primarily of certificates of deposit, repurchase agreements, government securities, and the State Treasurer's Investment Pool and are stated at fair value. The fair value of the State Treasurer's Investment Pool is the Net Asset Value as determined by the Pool Administrator multiplied by the City's units. The Pool is subject to the Ohio Revised Code and an annual audit by an independent CPA firm. Interest earned from investments purchased with pooled cash is credited to the General Fund, except as stipulated by ordinance.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

H. Inventory of Supplies

Inventory is valued at cost in Governmental Funds, and the lower of cost or market in Proprietary Funds on the first-in, first-out (FIFO) method. Inventory in the Governmental Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Recorded inventories in the Governmental Fund types are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Restricted Assets

Proceeds from debt and other assets set aside for specific purposes are classified as restricted assets since their use is limited by applicable bond indentures.

J. Fixed Assets

Property, plant and equipment are stated at cost or estimated historical cost or, if donated, at fair market value at the date donated. Infrastructure consisting of roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems and water and sewer lines are capitalized in the applicable governmental or business type activities column in the government-wide financial statements.

K. Depreciation

Depreciation for all fixed assets is determined by depreciating the cost of fixed assets over the estimated useful lives of the assets on the straight-line basis. The estimated useful lives are as follows:

Distribution Systems	100 Years
Buildings	35-50 Years
Improvements	10-20 Years
Furniture and Fixtures	8-20 Years
Machinery and Equipment	5-25 Years
Infrastructure	20-50 Years

Depreciation expense is charged to Operations for Proprietary Fund fixed assets and Governmental Activities fixed assets in the government-wide financial statements.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Special Assessment Services and Improvements

The City provides special services primarily for snow removal, leaf pickup, street resurfacing and street lighting. These services are assessed in the real estate tax bills to the benefited property owners. The City pays the actual costs of these services, which are then levied as special assessments and collected two years after the service has been rendered. The assessments receivable relating to such services, including interest, amounted to \$38,280 at December 31, 2002 and will be collected in 2003 and 2004.

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. Interest expenditures on special assessment notes amounted to \$911 in 2002. These improvements include streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. Upon completion of the approved projects, the notes are converted to long-term bonds which are assessed over a 10 or 20 year period depending on the type and cost of the improvement. As of December 31, 2002, the assessments receivable on such assessed improvement projects amounted to \$1,543.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

N. Special Assessment Bond Retirement

Special assessment bonds are issued to finance the assessed portion of the cost of streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. These bonds are due in varying annual debt service payments ranging from \$112 in 2003 to \$107 in 2010. At December 31, 2002, the assessments receivable for bond retirements was \$756.

O. Compensated Absences

The City accrues vacation pay, compensatory time off, and sick leave as accrued wages and benefits payable when earned by employees using the "termination method." For Governmental Fund types, the liability not requiring expendable available financial resources is a long-term obligation. The current obligations of all Funds and the long-term obligations of Proprietary Funds are fully funded by depository cash in a Payroll Revolving Agency Fund.

Vacation time is earned in the current year and is required to be taken in the subsequent year. Upon approval, any unused amounts may be carried over for an additional four months. Employees have the option of receiving compensatory time off in lieu of pay for overtime worked.

Compensatory time off earned in the current year which is in excess of one hundred hours must be taken by April 30 of the subsequent year. Unused sick days may be accumulated without limitation. Upon retirement, death or leaving the City's employment with qualifying years of service, an employee is paid one-half of the first sixteen hundred unused sick hours and the total of any remaining accumulated hours.

P. Interfund Transactions

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

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

P. Interfund Transactions (Continued)

	Transfer In								Total
	General Fund	Capital Improvement Fund	Special Assessment Fund	Nonmajor Governmental Funds	Water Funds	Sewer Funds	Non Major Enterprise Funds	Internal Service Funds	
Transfer Out:									
General Fund	\$ --	\$ 33,733	\$ --	\$ --	\$ --	\$ --	\$ 874	\$ --	\$34,607
Capital Improvement Fund	485	--	--	13,055	--	--	--	1,129	14,669
Special Assessment Fund	8	--	--	--	--	--	--	--	8
Nonmajor									
Governmental Funds	609	898	--	2,887	--	--	(130)	217	4,481
Water Funds	--	--	--	14	--	--	--	--	14
Sewer Funds	50	50	--	17	--	--	--	--	117
Non Major									
Enterprise Funds	502	--	--	131	--	--	29	--	662
Internal Service Funds	<u>8,500</u>	<u>202</u>	<u>733</u>	<u>1,133</u>	<u>1,011</u>	<u>1,178</u>	<u>313</u>	<u>1,142</u>	<u>14,212</u>
Total Transfers In:	<u>\$10,154</u>	<u>\$ 34,883</u>	<u>\$ 733</u>	<u>\$ 17,237</u>	<u>\$1,011</u>	<u>\$1,178</u>	<u>\$ 1,086</u>	<u>\$ 2,488</u>	<u>\$68,770</u>

Q. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or Acts of God. As required by state law, the City is registered and insured through The Industrial Commission of Ohio and Bureau of Workers' Compensation for injuries to its employees. During fiscal 1988, the City established the Risk Management Fund (an internal service fund) to account for and finance insurance premiums, excluding workers' compensation premiums, and uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for all general liability claims, and up to \$100 for each property damage claim. The City has purchased commercial insurance for property claims in excess of the foregoing deductible.

All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates for the amounts needed to pay prior and current year claims and to establish a reserve for other accrued liabilities. The \$1,194 claims liability reported in the Risk Management Fund, an Internal Service Fund, at December 31, 2002 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

Q. Insurance (Continued)

Changes in the Risk Management Fund's claim liability amount in fiscal years 2000, 2001 and 2002 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current-Year</u> <u>Claims and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at End</u> <u>of Year</u>
2000	\$938	\$636	\$648	\$ 926
2001	926	678	580	1,024
2002	1,024	736	566	1,194

None of the City's settlements have exceeded the insurance coverage for each of the past three fiscal years.

During fiscal 1990, the City established a Workers' Compensation Fund (an internal service fund) to account for and finance its uninsured risks of loss for workers' compensation claims. For claims incurred prior to 1995, the Workers' Compensation Fund provides coverage for up to a maximum of \$250 for each worker's compensation claim. For claims incurred after January 1, 1995, there is unlimited coverage. The City pays premiums to the State of Ohio Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. In addition, the Fund will pay assessments to the Bureau of Workers' Compensation for administration and payment of claims.

All funds of the City participate in the program and make payments to the Workers' Compensation Fund based on actuarial estimates of the amounts needed to pay current-year claims. The claim liability of \$11,597 reported in the Fund at December 31, 2002 is based on the requirements of Governmental Accounting Standard Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Based on an actuarial valuation, the City has reduced the December 31, 2001 liability to \$9,416. Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of five percent.

**CITY OF TOLEDO, OHIO
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2002
 (CONTINUED)**

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

Q. Insurance (Continued)

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2000, 2001 and 2002 were:

	Balance at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2000	\$19,765	\$ 2,487	\$2,487	\$19,765
2001	19,765	(8,110)	2,239	9,416
2002	9,416	3,340	1,159	11,597

R. Fund Balance Reserves and Designations

The Governmental Funds balance sheet of the City of Toledo reports reserves and designations of fund equity for:

- a) Encumbrances: The portion of Fund Balance segregated for expenditure on vendor performance.
- b) Inventory of Supplies: A portion of Fund Balance represented by inventories that is not available for appropriation and expenditure.
- c) Capital Improvements: A portion of fund balance segregated for capital expenditures.
- d) Long-Term Notes Receivable: The portion of Fund Balance represented by notes receivable currently is unavailable for appropriation. As the principal of the notes is repaid the reserve is reduced accordingly.
- e) Debt Service: A portion of Fund Balance legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- f) Prepaid Expenditures: The portion of Fund Balance represented by Prepaid Expenditures currently unavailable for appropriation. As the prepaid expenditures are recognized the reserve is reduced accordingly.

**CITY OF TOLEDO, OHIO
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2002
 (CONTINUED)**

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

R. Fund Balance Reserves and Designations (Continued)

- g) Landfill Remediation: A portion of Fund Balance restricted to pay for the post-closure costs of former landfill sites.
- h) Subsequent Years Expenditure: A portion of fund balance segregated for expenditures appropriated in the current fiscal year to be paid in the next year.
- i) Budget Stabilization: A portion of Fund Balance legally restricted for funding of expenditures during cyclical downturns in the economy.
- j) Proprietary Fund Revenues: A portion of Fund Balance segregated for Debt Service, Replacement and Improvement.

S. Reconciliation of Government-Wide and Fund Financial Statements

- a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$219,622 difference are as follows:

General Long Term Debt	\$212,417
Plus Premiums	3,246
Accrued Interest	3,959
Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$219,622</u>

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

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

S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,829 difference are as follows:

Capital Outlay	\$34,574
Depreciation Expense	<u>(26,745)</u>
Net adjustment to increase <i>net changes in fund balances-</i> <i>total governmental funds</i> to arrive at <i>changes in net</i> <i>assets of governmental activities</i>	\$ <u>7,829</u>

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$85 difference are as follows:

**CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)**

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

S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	\$(10,270)
Issuance of Loans	(162)
Plus Premiums	(3,246)
Accrued Interest	(2,169)
Less Debt Issue Costs	386
Principal Repayments:	
General Obligation Debt	10,702
Other Debt	<u>4,844</u>
Net adjustment to increase <i>net changes in fund balances-</i> <i>total governmental funds to arrive at changes in net assets</i> <i>of governmental activities</i>	\$ <u>85</u>

NOTE 2. EQUITY IN POOLED CASH

Receipts from the Water and Sewer Utility Enterprise Funds and for certain other Funds are deposited and maintained in separate bank accounts or invested in short-term cash equivalents which are specifically segregated. Receipts from all other City Funds are pooled to provide for maximum investment returns on idle cash balances. Each Fund records its proportionate equity in the pooled account.

Certain Funds have made disbursements from the pooled cash in excess of their individual equities. This excess has been aggregated by Fund type and is reported in the combined balance sheet as Interfund Payables. These excesses are generally temporary and are repaid from normal Fund operations.

A summary of the amounts of equity in or amount due to the Pooled Cash Account by Fund type as follows:

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 2. EQUITY IN POOLED CASH (Continued)

Fund Type	Equity in Pooled Cash and Interfund Receivables	Interfund Payables
General	\$ 11,409	\$ (1,493)
Special Revenue	11,575	(6,282)
Debt Service	25	(139)
Capital Projects	26,232	(175)
Enterprise (Unrestricted)	1,286	(80,507)
Enterprise (Restricted)	79,036	(54)
Internal Service	25,099	(115)
Agency	<u>757</u>	<u>---</u>
Total	\$ 155,419	<u>\$(88,765)</u>
Interfund Payables	<u>(88,765)</u>	
Total pooled cash at December 31, 2002	<u>\$ 66,654</u>	

The total above of \$155,419 is presented in the balance sheet as follows:

	Amount
Equity in Pooled Cash	\$ 66,654
Interfund Receivables	38,381
Interfund Receivables (Restricted)	<u>50,384</u>
Total	<u>\$ 155,419</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The City's deposits and investments are included on the balance sheet as Equity in Pooled Cash, Other Cash, and Investments at fair value.

	Deposits	Investments	Total
Equity in Pooled Cash	\$(7,004)	\$ 73,658	\$ 66,654
Other Cash (Unrestricted)	150	---	150
Other Cash (Restricted)	264	---	264
Investments (Unrestricted)	---	87,668	87,668
Investments (Restricted)	<u>---</u>	<u>52,674</u>	<u>52,674</u>
Total	<u>\$(6,590)</u>	<u>\$ 214,000</u>	<u>\$207,410</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The City liquid resources are maintained or invested in bank accounts and short-term investments in order to maximize the rate of interest that can be earned on invested funds. An Investment Advisory Committee, established in 1986, continually reviews and makes recommendations regarding the City's investment activity and also monitors compliance with the City's investment policies.

A. Deposits

The deposit of City resources is governed by portions of the Ohio Revised Code and the Toledo Municipal Code. Such deposits may consist of either demand deposits, nondemand savings accounts or certificates of deposit. Under both the Ohio Revised Code and the Toledo Municipal Code, deposits are subject to collateralization requirements to the extent that they are not insured by the Federal Deposit Insurance Corporation (FDIC). Such uninsured amounts must be collateralized by either specific or pooled collateral in an amount at least equal to the uninsured portion of the deposit. In accordance with the Toledo Municipal Code, only depositories with an office located in the City may be used.

At December 31, 2002, the carrying amount of the City's deposits was \$6,590 (deficit) and the bank balance was \$5,018. Of the bank balance, \$200 was covered by deposit insurance, \$3,987 was covered by collateral held by the agent of the pledging bank in the City's name and \$831 was covered by collateral held by third party trustees in collateral pools securing all public funds on deposit with the specific depository institution. The \$831 is considered uncollateralized as defined in GASB Statement No. 3, as the collateral is held by the counterparty's agent and is not in the City's name. This type of pooled collateral is permissible under the Ohio Revised Code.

B. Investments

The investment of City financial resources is governed by the Toledo Municipal Code and the Ohio Revised Code. The Toledo Municipal Code authorizes the City to invest in City of Toledo Securities, Government Securities, Repurchase Securities, Municipal Securities, and the State Treasurer's Investment Pool. The Toledo Municipal Code limits investments in Repurchase Securities to ten million dollars per financial institution, and limits investment in the State Treasurer's Investment Pool to 40% of the principal amount of the investment portfolio. These requirements ensure the diversification of the investment portfolio. Repurchase Agreements may not have a term exceeding thirty days. Both the Toledo Municipal Code and the Ohio Revised Code have specific requirements for the collateralization of investments. The Toledo Municipal Code requires that securities underlying Repurchase Agreements must have a market value of at least 100% of the Repurchase Agreements. At the end of each month, the financial institution must review the market value of the collateral, increasing the collateral if it falls below the market

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

value of the investment. All securities held for investment must be deposited for safekeeping with a custodian who is not the vendor of the investment. All of the investments are held by the City or the custodian in the City's name. Investments in the State Treasurer's Investment Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

As defined by GASB 3, there are three categories of risk levels assumed with respect to investments. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

Investments at December 31, 2002 consist of the following:

	Risk Category			Carrying Amount	Fair Value
	1	2	3		
Investments:					
City of Toledo Securities	\$ 13,240	\$	\$	\$ 13,240	\$ 13,240
Government Securities:					
Federal Home Loan Mortg Corp	43,196			43,196	43,196
Federal National Mortg. Assoc.	53,942			53,942	53,942
Treasury Bills, Notes, Bonds	---			---	---
Federal Home Loan Bank	36,895			36,895	36,895
Student Loan Marketing Assoc.	12,108			12,108	12,108
Federal Farm Credit Bank	13,255	---	931	13,255	13,255
Repurchased Securities/Other	---	---	---	931	931
	<u>\$172,636</u>	<u>\$ ---</u>	<u>\$ 931</u>	173,567	173,567
State Treasurer's Investment Pool				<u>40,433</u>	<u>40,433</u>
Total				<u>\$214,000</u>	<u>\$ 214,000</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 4. RECEIVABLES

The allowance for uncollectible receivables consists of the following at December 31, 2002:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$3,449	\$ ---
Special Revenue	1,367	22,401
Capital Projects	116	---
Enterprise (Unrestricted)	3,791	2,781
Enterprise (Restricted)	---	---
Internal Service	158	---
Trust and Agency	<u>306</u>	<u>---</u>
Total	<u>\$9,187</u>	<u>\$25,182</u>

NOTE 5. INCOME TAXES

The City levies an income tax of 2.25% on substantially all earned income arising from employment, residency, or business activities carried on inside the City. The first 1.5% of the income tax is a permanent levy, of which 0.25% of this tax is dedicated to capital improvements. The additional 0.75% of the income tax is slated to expire on June 30, 2006 and, of this tax, 0.25% is also dedicated for capital improvements. The City is required by Statute to transfer those income taxes dedicated for capital improvements to the Capital Improvements Fund. In 2002, the City made all required transfers to the Capital Improvements Fund.

Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates. As of December 31, 2002, the City has accrued \$15,986 as revenue from withheld income taxes remitted within 60 days of its year-end.

NOTE 6. PROPERTY TAX

The property tax levy is based on the assessed value listed as of January 1, 2002, the lien date, for all real and public utility property located in the City. The assessed values are established by the County Auditor at 35% of the current market value and a reappraisal of all properties is required every six years with a triennial update. The last reappraisal was completed in 2000 for the tax year 2002.

**CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)**

NOTE 6. PROPERTY TAX (Continued)

Real property taxes were levied on all non-exempt property located in the County on January 14, 2002. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on February 14, 2002; if paid semi-annually, the first payment was due on February 14, 2002; with the remainder payable on July 24, 2002. Based on this tax calendar, all property taxes which were levied on January 14, 2002 relating to the 2002 budget year, except delinquent taxes, have been collected.

The City's share of personal property taxes is determined by the County Auditor based on annual tax returns filed by the taxpayers. The property is assessed for tax purposes at varying statutory percentages of cost.

The assessed value and tax rates of the City attributable to collections in 2002 and the estimated taxes relating to the 2003 budget year (which became a lien on January 1, 2002) are as follows:

Taxes	Assessed Value	General Fund Tax Rate Per Thousand	Actual 2002 Receipts	Due in 2003
General Fund:				
Real Estate & Public				
Utility Property	\$3,479,451	\$ 4.40	\$12,604	\$13,000
Personal Property	<u>530,490</u>	4.40	<u>2,486</u>	<u>2,615</u>
Total	<u>\$4,009,941</u>		<u>\$15,090</u>	<u>\$15,615</u>

The receivables for estimated taxes relating to the 2003 budget year have been offset by a credit to deferred revenue for the fund statements at December 31, 2002 since the taxes are not available for appropriation and use until 2003.

Apportionment of Total Tax Rate	Tax Rate Per Thousand	Actual 2002 Receipts	Due in 2003
Unvoted Levy – Inside 10 Mil Limitation:			
General Fund	\$ 2.50	\$ 8,574	\$ 8,815
Voted Levy – Outside 10 Mil Limitation:			
General Fund (Charter Amendment Rate)	<u>1.90</u>	<u>6,516</u>	<u>6,800</u>
Total	<u>\$ 4.40</u>	<u>\$15,090</u>	<u>\$15,615</u>

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 6. PROPERTY TAX (Continued)

Delinquent real estate and personal property taxes are not recorded as revenue until received. Based on the County Auditor's records, the estimated delinquent taxes due the City at December 31, 2002 was \$1,854

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2002 is as follows:

Governmental Funds	Balance At Beginning of Year	Additions	Disposals and Transfers	Balance At End of Year	Accumulated Depreciation	Balance Net of Depreciation at End of Year
Land	\$ 24,781	\$ ---	\$ ---	\$ 24,781	\$ ---	\$ 24,781
Buildings	61,552	---	---	61,552	39,226	22,326
Improvements	47,514	1,736	---	49,250	20,977	28,273
Machinery & Equipment	32,619	6,186	---	38,805	17,208	21,597
Furniture & Fixtures	6,000	136	---	6,136	4,459	1,677
Infrastructure	452,290	24,857	---	477,147	190,220	286,927
Total	\$624,756	\$ 32,915	\$ ---	\$657,671	\$ 272,090	\$ 385,581
Internal Service Funds						
Land	\$ 350	\$ ---	\$ ---	\$ 350	\$ ---	\$ 350
Buildings	1,111	---	---	1,111	1,111	---
Improvements	335	---	---	335	335	---
Machinery & Equipment	57,155	2,044	(4,237)	54,962	41,863	13,099
Furniture & Fixtures	98	---	---	98	98	---
Total	\$ 59,049	\$ 2,044	(4,237)	\$ 56,856	\$ 43,407	\$ 13,449
Total Governmental Activities	\$683,805	\$ 34,959	\$(4,237)	\$714,527	\$ 315,497	\$ 399,030
Business Type Activities						
	Balance at Beginning of Year	Additions	Disposals And Transfers	Balance at End of Year	Accumulated Depreciation	Balance Net of Depreciation at End of Year
Land	\$ 10,704	\$ 200	\$ (267)	\$ 10,637	\$ ---	\$ 10,637
Buildings	80,591	216	---	80,807	41,359	39,448
Improvements	68,677	20	---	68,697	35,164	33,533
Machinery and Equipment	98,398	3,135	(558)	100,975	51,682	49,293
Furniture and Fixtures	1,413	558	---	1,971	1,008	963
Distribution System	310,234	27,073	---	337,307	157,796	179,511
Construction in Progress	86,378	21,452	(27,075)	80,755	---	80,755
Total	\$656,395	\$ 52,654	\$(27,900)	\$ 681,149	\$ 287,009	\$ 394,140

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 7,097
Public Service	14,632
Public Safety	406
Public Utility	10
Community Environment	1,062
Health	668
Parks	<u>2,870</u>
 Total Depreciation Expense – Governmental Activities	 \$ <u>26,745</u>
Business-Type Activities:	
Water	\$ 3,161
Sewer	8,859
Non-Major	<u>1,215</u>
 Total Depreciation Expense – Business-Type Activities	 \$ <u>13,235</u>
 Internal Service Funds	 <u>2,738</u>
 Total Depreciation Expense	 \$ <u>42,718</u>

For several years, the Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2002, the Department owned approximately 333 parcels at an estimated historical cost of \$6,893. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase. Revenues from the sale of properties are recorded as program income in the same Funds at the time of sale.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS

A. Obligation Summary by Type

	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
Bonds Outstanding:					
General Obligation	\$ 138,404	\$ 39,780	\$ 41,102	\$ 137,082	\$ 12,233
Revenue Obligations	94,996	---	6,059	88,937	5,459
Notes Outstanding:					
General Obligation	3,085	3,800	760	6,125	6,168
Revenue Obligations	32,000	16,100	16,200	31,900	15,800
Loans Outstanding:					
State Agencies	60,970	3,214	3,579	60,605	3,967
Federal Agencies	23,940	---	865	23,075	930
Other	2,771	96	492	2,375	231
Capital Leases	21,897	---	2,276	19,621	2,275
Other Obligations	<u>44,719</u>	<u>2,689</u>	<u>334</u>	<u>47,074</u>	<u>---</u>
TOTAL OBLIGATIONS	<u>\$ 422,782</u>	<u>\$ 65,679</u>	<u>\$ 71,667</u>	<u>\$ 416,794</u>	<u>\$ 47,063</u>

Note: General Obligation Debt Capacity per Uniform Bond Act of the ORC = \$101,000
Utility Debt Unamortized Discount = \$1,116
Assessed Services Revenue Notes are Secured by a Letter of Credit = \$51,000

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type

Changes in bonds payable and general long term obligations during 2002 and principal amounts outstanding at December 31, 2002 are as follows:

	Balance at Beginning Of Year	Increases/ Issuances	Reductions/ Retirements	Balance At End Of Year	Due Within One Year
Governmental Type					
Accr Compensated Absence	\$ 34,111	\$ ---	\$ 334	\$ 33,777	\$ ---
Landfill Closure	10,608	2,689	---	13,297	---
Capital Leases	10,454	---	1,945	8,509	1,944
Tax Increment Bonds	637	---	490	147	139
Assessed Services	32,000	16,100	16,200	31,900	15,800
General Fund Capital Projects - Loans	9,520	67	336	9,251	351
Police & Fire Pension – G.O. Bonds	14,050	---	850	13,200	875
Assessed Improvements – G.O. Bonds	542	70	102	510	111
Capital Projects – G. O. Bonds	95,204	39,710	39,260	95,654	10,345
Capital Projects – G. O. Notes	1,580	3,800	640	4,740	4,740
Capital Projects – Loans	<u>40,048</u>	<u>96</u>	<u>2,072</u>	<u>38,072</u>	<u>2,001</u>
Subtotal	\$ 248,754	\$ 62,532	\$ 62,229	\$ 249,057	\$ 36,306
Business Type					
Water Revenue Bonds	\$ 58,619	\$ ---	\$ 2,745	\$ 55,874	\$ 2,622
Sanitary Sewer Revenue Bonds	35,740	---	2,824	32,916	2,698
Parking (General Obligation)	3,185	---	555	2,630	560
Housing (General Obligation)	25,234	---	290	24,944	341
Capital Projects – G. O. Notes	1,687	---	163	1,524	1,428
Capital Projects – Loans	35,456	3,147	1,959	36,644	2,189
Capital Lease	11,443	---	331	11,112	331
Property Management ODOD 166	<u>2,657</u>	<u>---</u>	<u>569</u>	<u>2,088</u>	<u>587</u>
Subtotal	\$ 174,021	\$ 3,147	\$ 9,436	\$ 167,732	\$ 10,756
Internal Service Funds					
General Obligation Bonds	<u>7</u>	<u>---</u>	<u>2</u>	<u>5</u>	<u>1</u>
Total Obligations	<u>\$ 422,782</u>	<u>\$ 65,679</u>	<u>\$ 71,667</u>	<u>\$ 416,794</u>	<u>\$ 47,063</u>
Premiums				3,247	
Accrued Interest				<u>3,960</u>	
Total Debt				<u>\$ 424,001</u>	

**CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)**

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type (Continued)

Special assessment bonds are pledged by the full faith and credit of the City, the debt service requirements of which are funded by proceeds from special assessments tax levies. Water and sewer revenue bonds are collateralized by revenue from Water and Sewer Enterprise Funds. The full faith and credit of the City is pledged against the remaining general long-term obligations.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose

Bonds Outstanding:	Interest Rates	Balance at Beginning of Year	Issuances	Reductions/Retirements	Balance at End of Year	Due Within One Year
General Obligation						
Capital Projects	1.55-7.625%	\$ 95,204	\$ 39,710	\$ 39,260	\$ 95,654	\$ 10,345
Special Assessments	1.55-7.625%	542	70	102	510	111
Internal Service Funds	4.90%	7	—	2	5	1
Pension	7.50%	14,050	—	850	13,200	875
Housing	4.85-7.6%	25,234	—	290	24,944	341
Parking	6.75-7.375%	3,185	—	555	2,630	560
Water/Sewer Systems	3.75-4.90%	182	—	43	139	43
Revenue Obligations						
Water System	3.20-6.45%	58,619	—	2,745	55,874	2,622
Sanitary Sewer System	3.20-6.45%	35,740	—	2,824	32,916	2,698
Tax Increment	6.50%	637	—	490	147	139
Notes Outstanding:						
General Obligation						
Special Assessments	1.90-2.26%	1,580	4,035	4,175	1,440	1,440
Internal Service Funds	1.90%	—	3,300	—	3,300	3,300
Storm Water System	1.90-2.26%	1,505	3,010	3,130	1,385	1,385
Revenue Obligations						
Assessed Services 2000	Var.	16,200	—	16,200	—	—
Assessed Services 2001	Var.	15,800	—	—	15,800	15,800
Assessed Services 2002	Var.	—	20,600	4,500	16,100	—
Loans Outstanding:						
State Agencies						
State Issue 2						
Capital Projects	0.00%	3,478	—	365	3,113	400
Water System	0.00%	453	—	28	425	27
Sanitary Sewer Sys.	0.00%	503	—	95	408	95
Storm Water System	0.00%	—	—	—	—	—
Ohio Water Dev Authority						
Capital Projects	4.02-4.12%	9,520	67	336	9,251	351
Sanitary Sewer Sys.	3.75-9.88%	34,428	3,147	1,764	35,811	2,067
ODOD Chapter 166						
Capital Projects	4.25%	9,931	—	422	9,509	440
Property Mgmt.	3.25-4.25%	2,657	—	569	2,088	587
Federal Agencies						
HUD 108						
Capital Projects	6.56-7.96%	23,015	—	800	22,215	860
Block Grant	7.11%	925	—	65	860	70
Other Loans						
Capital Projects	0.00-3%	2,699	96	420	2,375	231
Property Mgmt.	7.5%	72	—	72	—	—
Capital Leases:						
Capital Projects		10,454	—	1,945	8,509	1,944
Enterprise		7,631	—	109	7,522	109
Utilities Admin Srv.		3,812	—	222	3,590	222
Other Obligations:						
Landfill Closure		10,608	2,689	—	13,297	—
Compensated Absences		34,111	—	334	33,777	—
Total Obligations		<u>\$ 422,782</u>	<u>\$ 76,724</u>	<u>\$ 82,712</u>	<u>\$ 416,794</u>	<u>\$ 47,063</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

The annual debt service requirements for principal and interest on obligations at December 31, 2002 are as follows:

	Water		Sewer	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2003	\$ 2,622	\$ 3,067	\$ 2,698	\$ 1,997
2004	2,964	2,730	2,333	1,621
2005	3,084	2,604	1,978	1,512
2006	3,294	2,468	2,053	1,423
2007	3,384	2,311	2,153	1,330
2008-2012	18,630	8,944	10,425	5,020
2013-2017	21,336	3,493	10,201	2,304
2018-2022	375	135	715	260
2023-2027	185	18	360	35
2028-2032	---	---	---	---
Total	<u>\$55,874</u>	<u>\$25,770</u>	<u>\$32,916</u>	<u>\$15,502</u>

	Parking		Capital Projects	
	Principal	Interest	Principal	Interest
2003	\$ 560	\$ 192	\$ 10,388	\$ 4,117
2004	565	151	10,378	3,634
2005	570	109	10,488	3,112
2006	550	68	9,835	2,633
2007	85	27	8,925	2,744
2008-2012	300	44	31,904	16,136
2013-2017	---	---	13,875	1,492
2018-2022	---	---	---	---
2023-2027	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$2,630</u>	<u>\$ 591</u>	<u>\$ 95,793</u>	<u>\$33,868</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	P&F Pension GO Bonds		Tax Increment Bonds	
	Principal	Interest	Principal	Interest
2003	\$ 875	\$ 974	\$ 139	\$ 58
2004	925	908	8	---
2005	950	837	---	---
2006	1,000	765	---	---
2007	1,025	690	---	---
2008-2012	5,775	2,219	---	---
2013-2017	2,650	250	---	---
2018-2022	---	---	---	---
2023-2027	---	---	---	---
2028-2032	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	<u>\$13,200</u>	<u>\$ 6,643</u>	<u>\$ 147</u>	<u>\$ 58</u>

	Internal Service		Housing	
	Principal	Interest	Principal	Interest
2003	\$ 1	\$ 1	\$ 341	\$ 1,537
2004	2	---	400	1,517
2005	2	---	456	1,493
2006	---	---	506	1,467
2007	---	---	575	1,436
2008-2012	---	---	3,299	6,622
2013-2017	---	---	5,001	5,381
2018-2022	---	---	6,871	3,445
2023-2027	---	---	6,570	1,250
2028-2032	<u>---</u>	<u>---</u>	<u>925</u>	<u>50</u>
Total	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 24,944</u>	<u>\$ 24,198</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Issue 2		OWDA Sewer	
	Principal	Interest	Principal	Interest
2003	\$ 522	\$ ---	\$ 2,067	\$ 1,647
2004	534	---	2,186	1,528
2005	485	---	2,134	1,402
2006	410	---	2,073	1,284
2007	294	---	2,180	1,176
2008-2012	990	---	10,761	4,161
2013-2017	554	---	10,269	1,903
2018-2022	157	---	4,141	245
2023-2027	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$ 3,946</u>	<u>\$ ---</u>	<u>\$ 35,811</u>	<u>\$ 13,346</u>

	OWDA General Fund		ODOD - 166	
	Principal	Interest	Principal	Interest
2003	\$ 351	\$ 376	\$ 1,027	\$ 409
2004	365	361	457	380
2005	380	346	476	361
2006	396	330	536	360
2007	412	314	642	375
2008-2012	2,331	1,298	3,622	1,432
2013-2017	2,856	774	4,173	588
2018-2022	2,160	169	664	13
2023-2027	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$ 9,251</u>	<u>\$ 3,968</u>	<u>\$ 11,597</u>	<u>\$ 3,918</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	HUD – 108		Other	
	Principal	Interest	Principal	Interest
2003	\$ 930	\$ 1,742	\$ 231	\$ 1
2004	1,015	1,676	231	1
2005	1,055	1,604	231	1
2006	1,120	1,528	230	---
2007	1,185	1,449	209	---
2008-2012	6,945	5,841	1,043	---
2013-2017	8,730	2,980	200	---
2018-2022	2,095	166	---	---
2023-2027	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$23,075</u>	<u>\$16,986</u>	<u>\$ 2,375</u>	<u>\$ 3</u>

	G.O. Storm	G.O. Assessed	G. O. Internal
	Principal	Principal	Service
			Principal
2003	\$ 1,385	\$ 1,440	\$ 3,300
2004	---	---	---
2005	---	---	---
2006	---	---	---
2007	---	---	---
2008-2012	---	---	---
2013-2017	---	---	---
2018-2022	---	---	---
2023-2027	---	---	---
2028-2032	---	---	---
Total	<u>\$ 1,385</u>	<u>\$ 1,440</u>	<u>\$ 3,300</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Special Assessment Bonds		Assessed Services	
	Principal	Interest	Principal	Interest
2003	\$ 111	\$ 25	\$ 15,800	\$ 685
2004	96	20	16,100	402
2005	67	14	---	---
2006	62	11	---	---
2007	67	8	---	---
2008-2012	107	8	---	---
2013-2017	---	---	---	---
2018-2022	---	---	---	---
2023-2027	---	---	---	---
2028-2032	---	---	---	---
Total	<u>\$ 510</u>	<u>\$ 86</u>	<u>\$ 31,900</u>	<u>\$ 1,087</u>

Under the Uniform Bond Act of the Ohio Revised Code, the City has the capacity to issue approximately \$93,000 additional unvoted general obligation debt. The principal balances of the utility debt have been reduced by unamortized discount of \$1,116.

D. Defeasance of Bond Issues

In 1999, 1994, 1988 and 1984, the City advance refunded bonds to facilitate the retirement of the City's obligation with respect to certain water and sewer bond issues and to provide funds for various improvement projects. The proceeds of the refunding issues were placed in irrevocable escrow accounts and invested in U.S. Treasury Obligations which, together with interest earned thereon, will provide amounts sufficient for future payment of interest and principal on the issues being refunded. Balances of refunded bonds are not included in the City's outstanding long-term debt since the debt is considered to be extinguished for financial reporting purposes through consummation of the refunding transaction. Balances of advance refunded debt not included in the City's balance sheet in the Enterprise Fund at December 31, 2002 totaled \$3,420.

During August 2002, the City issued \$39,780 of general obligation bonds that provided monies for the advance refunding of series 1994, 1995, 1996 and 1997 general obligation bonds and additional capital improvement funds. Total proceeds from the issuance amounted to \$43,250, which includes an issuance premium of \$3,470. Of this amount, \$32,566 was transferred to an escrow agent for the purchase of U.S. Government securities for the refunding.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

D. Defeasance of Bond Issues (Continued)

The difference between the cash flows required to service the refunded debt and the cash flow required to service the new debt and complete the refunding is \$6,506. The net present value saving from the refundings amounts to \$1,127.

E. Other

Capital Lease

The City has a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Government Center Office Building, which is classified as a capital lease. In fiscal 1997, the City entered into a lease agreement with the Ohio Building Co., which is also being classified as a capital lease. In 1999, the City entered into a lease agreement with the Lucas County Port Authority for an addition to the Superior Street Garage which is classified as a capital lease. Future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2002 are as follows:

Year	General Long-Term Obligations	Enterprise Funds
2003	\$ 2,682	\$ 1,130
2004	1,460	1,180
2005	3,862	1,232
2006	1,522	1,266
2007	2,545	1,279
2008-2012	---	6,147
2013-2017	---	3,500
2018-2019	---	2,135
Total Minimum Lease Payments	12,071	17,869
Less Amount Representing Interest	<u>3,562</u>	<u>6,757</u>
Present Value of Net Minimum Lease Payments	<u>\$ 8,509</u>	<u>\$11,112</u>

Landfill Closure and Postclosure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the government-wide Statement of Net Assets for the closure and postclosure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2001;

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

E. Other (Continued)

therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 31 years. The \$13,297 reported as landfill closure and postclosure care liability at December 31, 2002, represents the cumulative amount reported to date based on the use of 93% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,181 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables at December 31, 2002 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 11,409	\$ 1,493
Special Revenue Funds:		
Cemetery Maintenance	--	8
Marina Development	--	21
Toledo City Parks	--	1
Toledo Home Program	--	929
Special Assessment Services	740	5,323
Debt Service Funds:		
General Obligation Debt Service	--	139
Capital Projects Funds:		
Capital Improvements	26,231	--
Special Assessment Improvements	--	175
Enterprise Funds:		
Water	30,713	39,439
Sewer	19,672	27,417
Storm Utility	--	5,554
Utility Administrative Services	--	7,765
Parking	--	386
Internal Service Funds:		
Storeroom and Printshop	--	115
Total	<u>\$ 88,765</u>	<u>\$ 88,765</u>

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 10. FUND BALANCE/RETAINED EARNINGS AND DEFICITS

A. Fund Balance/Retained Earnings Deficit

At December 31, 2002, the following Funds had a fund or retained earnings deficit:

Special Revenue Funds - Special Assessment Services Fund

The fund deficit of \$33,066 in the Special Assessment Services Fund arose because of the application of GAAP to the financial reporting for this Fund. Short-term note proceeds used to finance construction of special assessment projects are not recognized as an "other financing source." Liabilities for special assessment short-term notes payable are accounted for in the Special Assessment Services Fund. Special assessments are recognized as revenue in the year they are remitted to the City by the County Auditor. The deficit will be reduced and eliminated as deferred special assessment installments are received from the County Auditor.

Special Revenue Funds – Cemetery Maintenance

The fund deficit of \$8 is due to a drop in investment earnings due to the current economic climate.

Special Revenue Funds – Marina Development

The deficit of \$22 is a result of increased costs of operation. The City will be conducting a study of the fund to determine the best method to return the fund to positive equity balance.

Special Revenue Funds – Toledo Home Program

The fund deficit of \$1,049 is a result of timing of drawdowns from HUD for current year expenditures.

Capital Projects Fund - Special Assessment Improvements Fund

The fund deficit of \$1,212 in the Special Assessment Improvements Fund arose because of the application of GAAP to the financial reporting for this Fund. Note proceeds used to finance construction projects are not recognized as an "other financing source" in the Special Assessments Improvements Fund. These deficits will be reduced and eliminated as long-term financing is arranged for projects supported by short-term debt.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 10. FUND BALANCE/RETAINED EARNINGS AND DEFICITS (Continued)

Internal Service Funds - Storeroom and Printshop Fund

The retained earnings deficit of \$752 in the Storeroom and Printshop Fund is due to previous years experiencing operating losses due to an inability to pass through certain overhead costs.

NOTE 11. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

Employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time, usually after retirement. The deferred pay and any income earned on it is not subject to income taxation until actually received by the employee.

As the Ohio Public Employees Deferred Compensation Board is the plan Administrator, the City is unable to, and does not, maintain any fiscal control over these assets. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 12. PENSION AND RETIREMENT PLANS

A. Police and Firemen's Disability and Pension Fund

All Police and Firemen are members of and participate in the Police and Firemen's Disability and Pension Fund (PFDPF), a cost-sharing multiple-employer defined benefit plan which operates under the authority of Ohio Revised Code, Chapter 742. The Fund provides pension, disability and health care benefits to qualified participants and survivor and death benefits to qualified spouses, children and dependent parents.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

A. Police and Firemen's Disability and Pension Fund (Continued)

The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to: 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.0% of their annual covered salary and the City is required to contribute a statutorily determined rate which is currently 19.5% for Police and 24.0% for Fire. The City's contributions are equal to 100% of the dollar amount billed the City. The City's contributions to PFDPF for the Police portion for the years ending December 31, 2002, 2001, 2000, were \$7,821, \$7,481, \$7,365, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2002, 2001, 2000, were \$6,969, \$6,669, \$6,282, respectively, equal to the required contribution for each year. All contributions to PFDPF were made within the required due dates.

The PFDPF also provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution to PFDPF is set aside for the funding of post retirement health care. The City's contribution includes approximately \$5,359 (7.75% of covered payroll) used to fund a health care program for retired employees.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the PFDPF.

The assumptions and calculations below were based on the PFDPF latest actuarial review performed as of December 31, 2001:

- A. Health care funding and accounting is on a pay-as-you-go basis.
- B. The number of participants eligible to receive health care benefits as of December 31, 2002 was 13,174 for police and 10,239 for firemen.
- C. The Fund's total health care expenses for the year ending December 31, 2002 were \$122,299.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

A. Police and Firemen's Disability and Pension Fund (Continued)

In 1994, the City issued \$19,050 of taxable general obligation bonds to retire the remaining \$29,148 of the unfunded Police and Fire Pension liability existing at that time. The annual net debt service on the bonds will be approximately \$1,380.

B. Public Employees Retirement System of Ohio

All City employees (excluding Police and Firemen) are members of and participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The 2002 employer contribution rate for local government employer units was 13.55% of covered payroll. Plan members are required to contribute 8.5% of their annual salary. The City's contributions are equal to 100% of the dollar amount billed to the City. The City's contributions to PERS for the years ending December 31, 2002, 2001 and 2000 were \$9,665, \$8,472 and \$7,923 respectively, equal to the required contributions for each year. All contributions to PERS were made within the required due dates.

The Public Employees Retirement System of Ohio also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution is set aside for the funding of post retirement health care benefits. The Ohio Revised Code provides statutory authority for employer contributions. The City contribution includes approximately \$3,561 (5% of covered payroll) used to fund a health care program for retired employees. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contribution to PERS. Health care costs were assumed to increase 4.00% annually.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Public Employees Retirement System of Ohio (Continued)

The assumptions and calculations below are based on the System's latest Actuarial Review performed as of December 31, 2001:

- A. Health care funding and accounting is on an actuarially determined basis.
- B. The number of active contributing participants was 402,041.
- C. \$11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001.
- D. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method were \$16.4 billion and \$4.8 billion, respectively. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.
- E. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0%.
- F. An annual increase of 4.0% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.3%.

The Public Employees System of Ohio elected to return an actuarially pre-funded type of disclosure because it is a better presentation of PERS' actual funding methodology.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 13. LEASES AND OTHER COMMITMENTS

In 1982, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Toledo Government Center Office Building. The lease, which is for 30 years, is classified as a capital lease and has been included as property, plant and equipment in the government-wide financial statements at \$26,179 less accumulated depreciation of \$17,019. Under the terms of the lease, the City is required to pay for its pro-rata share of operating and maintenance costs of the building. These additional costs were \$1,196 in 2002.

In 1997, the City entered into a noncancelable long-term lease with the Ohio Building Co. for the space it occupies in the Ohio Building. The lease, which is for 15 years is classified as a capital lease and has been included in the Utility Administration Services Enterprise Fund at \$4,538 less accumulated depreciation of \$1,560 at December 31, 2002.

In 1999, the City entered into a \$7,825 noncancelable long-term lease with the Lucas County Port Authority for an addition to the Superior Street Garage.

The City leases other facilities and equipment under various operating leases. Rental expense relating to these leases amounted to \$1,277 in 2002. Future minimum lease payments on operating leases as of December 31, 2002 is \$794.

The City has commitments for construction and improvement of four Water Treatment Plant projects and four Water Reclamation Plant projects. Such construction commitments, which total \$5,986 at December 31, 2002, are funded from Environmental Protection Agency grants and Sewer Mortgage Revenue Bond proceeds of the Sewer Fund.

The City entered into an agreement with Libbey-Owens-Ford in 1994 to purchase their headquarters building and to make necessary improvements for \$4,000. This arrangement was made to induce the company to maintain their operation within the City. The agreement provides for rental terms with the company in amounts sufficient to retire revenue bonds which were issued in January of 1994 to fund the transaction. In 2002, the City of Toledo entered into an agreement to sell the building for \$725.

NOTE 14. CONTINGENCIES

The City of Toledo is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations. The significant claims are described below.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 14. CONTINGENCIES (Continued)

The City is involved in various administrative proceedings with the Ohio Environmental Protection Agency and/or Ohio Attorney General's Office and the USEPA concerning certain environmental matters within the City. Those administrative proceedings do not seek money damages from the City but may require the City to take certain remedial measures to eliminate or reduce pollution in the lands or waters within the City. The City has, in turn, initiated certain proceedings to require those who it believes disposed of these pollutants to participate in the necessary remedial actions. The overall cost of the various clean-ups could reach up to \$50,000. The remedial measures are anticipated to span a multi-year period. The remaining capital cost to the City is estimated to be less than \$500. The costs to the City for operation, maintenance and monitoring over the next thirty years are estimated to be less than \$10,000 including inflation, most of which is to be funded from settlement reserves. The ultimate resolution of these claims is not anticipated to have a material adverse effect on the City's financial position.

The City was involved in litigation in which the United States and the State of Ohio are seeking injunctive relief and civil penalties against the City under the Clean Water Act for alleged discharges of pollutants from the City's wastewater treatment plant in violation of permit limitations. The City, the United States and the State of Ohio reached a settlement on the amount of civil penalties to be paid by the City, which was ratified by City Council in May 2002 and approved by general election in 2002. Under the settlement, the City will be required to pay a \$500 fine and upgrade the sewage treatment plant and sanitary sewer system at an anticipated total cost of \$400 million over the next 15 years.

In addition, the City participates in a number of Federal and State assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. At December 31, 2002, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed claims, if any, will not result in a material adverse effect on the City's financial position.

NOTE 15. JOINT VENTURE

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

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 15. JOINT VENTURE (Continued)

City of Toledo	40.34%
Lucas County	28.35
Defiance County	10.12
Fulton County	6.39
Williams County	9.35
Henry County	5.45
	<u>100.00%</u>

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

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

The Corrections Commission has an annual budget of approximately \$12,728 and has accumulated cash reserves of \$363 at December 31, 2001. Complete financial statements of the Corrections Commission can be obtained from its administrative office as follows:

Corrections Commission of Northwest Ohio
03151 Road 24.25
Rt. 1, Box 100-A
Stryker, OH 43557

NOTE 16. EDISON AGREEMENT

In 1998, the City entered into a five year agreement with Toledo Edison Company which would provide the City with \$6,000 (to be received in five annual installments of \$1,200 beginning in 1998 through 2002) to attract and retain businesses and for projects within the City. The 2002 annual amount of \$1,200 has been recognized in these financial statements.

CITY OF TOLEDO, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(CONTINUED)

NOTE 17. CHANGE IN METHOD OF ACCOUNTING

In 2002, the City implemented GASB Statement No. 34, "*Basic Financial Statements— and Management's Discussion and Analysis—of State and Local Governments*" which requires a change in format of the financial statements. The new governmental reporting model has the following sections: *Management's Discussion and Analysis, Governmental-Wide Financial Statements, and Fund Financial Statements*. Under the new reporting model, the infrastructure has been added to the capital assets and appropriately depreciated.

Due to the implementation of GASB Statement No. 34, the prior year retained earnings and contributed capital for the enterprise funds were restated to reflect the net assets. Also, the prior year fund balance for the non-major Governmental Funds was restated to reflect the allocation of expendable trust funds related those funds as follows:

	Nonmajor Governmental Funds	Proprietary
Fund Balance/Retained Earnings at		
December 31, 2001, as previously reported	\$ 10,659	\$ 312,380
Contributed Capital at December 31, 2001	---	23,869
Non-Expendable Trust Fund Balance		
at December 31, 2001	4,267	
Permanent Non-Major Fund at		
December 31, 2001	<u>711</u>	<u>---</u>
<i>Net Assets at December 31, 2001 as restated</i>	<u>\$ 15,637</u>	<u>\$ 336,249</u>

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF TOLEDO, OHIO
MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2002

General Fund – The general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvements – To account for construction, major improvements and acquisition to the City's buildings and infrastructure and parkland. Revenue received is from the portion of the income tax earmarked by the voters for capital improvements and from construction grants and bond sales.

Special Assessment Services - To account for the proceeds of special assessments (and related note sales) levied against property benefited from the following City services: street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance.

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF REVENUES; EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR-ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>Budgeted Amounts</u>			
	<u>Original Amount</u>	<u>Final Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Income Taxes	\$ 153,750	\$ 153,750	\$ 153,965	\$ 215
Property Taxes	15,728	15,728	15,437	(291)
Licenses and Permits	1,879	1,879	1,958	79
Intergovernmental Services	23,829	23,829	24,158	329
Charges for Services	12,151	12,151	12,603	452
Investment Earnings	3,029	3,029	2,905	(124)
Fines and Forfeitures	3,902	3,902	3,142	(760)
All Other Revenue	<u>1,403</u>	<u>1,283</u>	<u>1,463</u>	<u>180</u>
Total Revenues	\$ 215,671	\$ 215,551	\$ 215,631	\$ 80
EXPENDITURES:				
General Government	33,237	20,451	20,067	384
Public Service	1,803	1,933	1,844	89
Public Safety	128,166	142,855	142,222	633
Community Environment	5,475	6,522	5,959	563
Health	14,093	14,685	14,393	292
Parks & Recreation	4,454	4,724	4,715	9
Capital Outlay	1,657	1,416	649	767
Debt Service:				
Principal Retirement	1,852	2,069	2,066	3
Interest & Fiscal Charges	<u>2,378</u>	<u>1,829</u>	<u>1,714</u>	<u>115</u>
Total Expenditures	\$ 193,115	\$ 196,484	\$ 193,629	\$ 2,855
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 22,556</u>	<u>\$ 19,067</u>	<u>\$ 22,002</u>	<u>\$ 2,935</u>
Other Financing Sources (Uses):				
Transfers In	880	10,164	10,154	(10)
Transfers (Out)	(33,625)	(34,607)	(34,607)	—
Note Proceeds	—	67	66	(1)
Sale of Fixed Assets	<u>530</u>	<u>30</u>	<u>76</u>	<u>46</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (32,215)	\$ (24,346)	\$ (24,311)	\$ 35
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (9,659)</u>	<u>\$ (5,279)</u>	<u>\$ (2,309)</u>	<u>\$ 2,970</u>
Fund Balances (Deficit) at Beginning of Year			\$ 19,494	
Increase in Reserve for Inventory			<u>(378)</u>	
Fund Balance (Deficit) at Year-End			<u>\$ 16,807</u>	

**CITY OF TOLEDO, OHIO
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET AND ACTUAL
FOR THE YEAR-ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>Capital Improvements</u>			
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
REVENUES:				
Intergovernmental Services	\$ 29,902	\$ 29,902	\$ 9,267	\$(20,635)
Charges for Services	96	96	96	---
Investment Earnings	1,113	1,113	1,182	69
All Other Revenue	<u>386</u>	<u>386</u>	<u>341</u>	<u>(45)</u>
Total Revenues	\$ 31,497	\$ 31,497	\$ 10,886	\$(20,611)
EXPENDITURES:				
Capital Outlay	78,230	78,230	32,217	46,013
Debt Service:				
Principal Retirement	3,594	3,594	3,594	---
Interest and Fiscal Charges	<u>2,910</u>	<u>2,910</u>	<u>2,910</u>	<u>---</u>
Total Expenditures	\$ 84,734	\$ 84,734	\$ 38,721	\$ 46,013
Excess (Deficiency) of Revenues over Expenditures	<u>(53,237)</u>	<u>(53,237)</u>	<u>(27,835)</u>	<u>25,402</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	34,810	34,810	34,883	73
Transfers (Out)	(14,668)	(14,668)	(14,668)	---
Bond Proceeds	14,000	14,000	10,199	(3,801)
Note Proceeds	1,562	1,562	96	(1,466)
Premiums on Bond	87	87	87	---
Other	<u>75</u>	<u>75</u>	<u>15</u>	<u>(60)</u>
Total Other Financing Sources (Uses)	\$ 35,866	\$ 35,866	\$ 30,612	\$ (5,254)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (17,371)</u>	<u>\$ (17,371)</u>	277	<u>\$ 20,148</u>
Fund Balances (Deficit) at Beginning of Year			38,381	
Increase in Reserve for Inventory			<u>174</u>	
Fund Balance (Deficit) at Year-End			<u>\$ 41,332</u>	

CITY OF TOLEDO, OHIO
SPECIAL ASSESSMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET AND ACTUAL
FOR THE YEAR-ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

	<u>Special Assessment Services</u>			
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
REVENUES:				
Special Assessments	\$ 18,541	\$ 18,548	\$ 18,870	\$ 322
Intergovernmental Services	---	---	---	---
Charges for Services	230	230	320	90
Investment Earnings	350	350	161	(189)
All Other Revenue	4	---	---	---
Total Revenues	<u>\$ 19,125</u>	<u>\$ 19,128</u>	<u>\$ 19,351</u>	<u>\$ 223</u>
EXPENDITURES:				
General Government	74	73	69	4
Public Service	18,363	18,518	16,444	2,074
Public Utilities	30	29	---	29
Health	600	514	501	13
Parks and Recreation	116	112	112	---
Capital Outlay	124	96	36	60
Debt Service:				
Principal Retirement	41	41	41	---
Interest and Fiscal Charges	<u>2,380</u>	<u>2,381</u>	<u>1,235</u>	<u>1,146</u>
Total Expenditures	<u>\$ 21,728</u>	<u>\$ 21,764</u>	<u>\$ 18,438</u>	<u>\$ 3,326</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,603)</u>	<u>(2,636)</u>	<u>913</u>	<u>3,549</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	---	733	733	---
Transfers (Out)	<u>(69)</u>	<u>(8)</u>	<u>(8)</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>\$ (69)</u>	<u>\$ 725</u>	<u>\$ 725</u>	<u>\$ ---</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (2,672)</u>	<u>\$ (1,911)</u>	1,638	<u>\$ 3,549</u>
Fund Balances (Deficit) at Beginning of Year			(34,114)	
Increase in Reserve for Inventory			<u>(590)</u>	
Fund Balance (Deficit) at Year-End			<u>\$(33,066)</u>	

SUPPLEMENTARY INFORMATION

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

EXPENDITURES:	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Current				
GENERAL GOVERNMENT				
City Council				
Personal Services	\$ 1,276	\$ 1,348	\$ 1,348	\$ -
Materials and Supplies	48	75	75	-
Contractual Services	261	194	187	7
Total City Council	<u>1,585</u>	<u>1,617</u>	<u>1,610</u>	<u>7</u>
Office Of The Mayor				
Personal Services	945	1,124	1,124	-
Materials and Supplies	39	50	44	6
Contractual Services	220	280	253	27
Other	100	26	24	2
Total Office of the Mayor	<u>1,304</u>	<u>1,480</u>	<u>1,445</u>	<u>35</u>
Auditor				
Personal Services	181	201	201	-
Materials and Supplies	2	1	1	-
Contractual Services	53	54	34	20
Total Auditor	<u>236</u>	<u>256</u>	<u>236</u>	<u>20</u>
Affirmative Action				
Personal Services	365	338	338	-
Materials and Supplies	3	3	3	-
Contractual Services	20	24	24	-
Total Affirmative Action	<u>388</u>	<u>365</u>	<u>365</u>	<u>-</u>
Board Of Community Relations				
Personal Services	199	211	211	-
Materials and Supplies	7	7	7	-
Contractual Services	32	16	16	-
Total Board Of Community Relations	<u>238</u>	<u>234</u>	<u>234</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Financial Analysis				
Personal Services	\$ 206	\$ 210	\$ 210	\$ -
Materials and Supplies	1	1	1	-
Contractual Services	75	35	35	-
Total Financial Analysis	<u>282</u>	<u>246</u>	<u>246</u>	<u>-</u>
General Fund Utilities				
Contractual Services	1,630	1,379	1,379	-
Total General Fund Utilities	<u>1,630</u>	<u>1,379</u>	<u>1,379</u>	<u>-</u>
Law				
Personal Services	1,932	1,914	1,914	-
Materials and Supplies	37	40	38	2
Contractual Services	391	465	341	124
Total Law	<u>2,360</u>	<u>2,419</u>	<u>2,293</u>	<u>126</u>
Youth Commission				
Personal Services	135	140	140	-
Materials and Supplies	6	8	8	-
Contractual Services	25	25	25	-
Other	-	1	1	-
Total Youth Commission	<u>166</u>	<u>174</u>	<u>174</u>	<u>-</u>
Finance Administration				
Personal Services	171	187	187	-
Materials and Supplies	1	5	5	-
Contractual Services	12	4	4	-
Total Finance Administration	<u>184</u>	<u>196</u>	<u>196</u>	<u>-</u>
Treasury				
Personal Services	246	230	230	-
Materials and Supplies	46	32	28	4
Contractual Services	52	44	44	-
Total Treasury	<u>344</u>	<u>306</u>	<u>302</u>	<u>4</u>
Taxation				
Personal Services	1,202	1,208	1,208	-
Materials and Supplies	134	143	134	9
Contractual Services	496	498	468	30
Total Taxation	<u>1,832</u>	<u>1,849</u>	<u>1,810</u>	<u>39</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Accounts				
Personal Services	\$ 1,000	\$ 1,040	\$ 1,040	\$ -
Materials and Supplies	11	5	5	-
Contractual Services	509	468	417	51
Total Accounts	<u>1,520</u>	<u>1,513</u>	<u>1,462</u>	<u>51</u>
Economic Development				
Other	89	67	67	-
Total Economic Development	<u>89</u>	<u>67</u>	<u>67</u>	<u>-</u>
Human Resources				
Personal Services	1,125	1,213	1,213	-
Materials and Supplies	47	18	18	-
Contractual Services	294	229	225	4
Other	5	-	-	-
Total Human Resources	<u>1,471</u>	<u>1,460</u>	<u>1,456</u>	<u>4</u>
Purchasing And Supplies				
Personal Services	298	112	112	-
Materials and Supplies	7	(2)	(2)	-
Contractual Services	117	198	198	-
Total Purchasing and Supplies	<u>422</u>	<u>308</u>	<u>308</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	172	206	206	-
Materials and Supplies	-	1	1	-
Contractual Services	29	7	7	-
Total Streets Bridges & Harbors	<u>201</u>	<u>214</u>	<u>214</u>	<u>-</u>
Facility Operations				
Personal Services	1,127	1,111	1,111	-
Materials and Supplies	198	85	82	3
Contractual Services	1,213	1,151	1,141	10
Total Facility Operations	<u>2,538</u>	<u>2,347</u>	<u>2,334</u>	<u>13</u>
Police				
Other	6	6	6	-
Total Police	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Fire				
Personal Services	\$ 63	\$ 117	\$ 117	-
Materials and Supplies	21	45	45	-
Contractual Services	(26)	(22)	(22)	-
Total Fire	<u>58</u>	<u>140</u>	<u>140</u>	<u>-</u>
Natural Resources Administration				
Personal Services	305	301	301	-
Materials and Supplies	5	7	4	3
Contractual Services	157	130	130	-
Total Natural Resources Administration	<u>467</u>	<u>438</u>	<u>435</u>	<u>3</u>
Recreation				
Other	5	3	3	-
Total Recreation	<u>5</u>	<u>3</u>	<u>3</u>	<u>-</u>
Parks & Forestry				
Other	40	41	41	-
Total Parks & Forestry	<u>40</u>	<u>41</u>	<u>41</u>	<u>-</u>
Fringe Benefits				
Personal Services	2,492	171	171	-
Total Fringe Benefits	<u>2,492</u>	<u>171</u>	<u>171</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	12,719	2,585	2,508	77
Other	660	636	631	5
Total General Non-Departmental Services	<u>13,379</u>	<u>3,221</u>	<u>3,139</u>	<u>82</u>
TOTAL GENERAL GOVERNMENT	<u>33,237</u>	<u>20,451</u>	<u>20,067</u>	<u>384</u>
PUBLIC SERVICE				
General Fund Utilities				
Contractual Services	1,337	1,384	1,384	-
Total General Fund Utilities	<u>1,337</u>	<u>1,384</u>	<u>1,384</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Waste Disposal				
Materials and Supplies	\$ -	\$ 1	\$ -	\$ 1
Contractual Services	79	118	30	88
Total Waste Disposal	<u>79</u>	<u>119</u>	<u>30</u>	<u>89</u>
Recreation				
Contractual Services	-	1	1	-
Total Recreation	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Parks & Forestry				
Personal Services	225	253	253	-
Materials and Supplies	4	3	3	-
Contractual Services	158	173	173	-
Total Parks & Forestry	<u>387</u>	<u>429</u>	<u>429</u>	<u>-</u>
TOTAL PUBLIC SERVICE	<u>1,803</u>	<u>1,933</u>	<u>1,844</u>	<u>89</u>
PUBLIC SAFETY				
Municipal Court Judges				
Personal Services	4,856	4,743	4,743	-
Materials and Supplies	74	73	73	-
Contractual Services	1,901	2,000	1,473	527
Total Municipal Court Judges	<u>6,831</u>	<u>6,816</u>	<u>6,289</u>	<u>527</u>
Clerk Of Municipal Court				
Personal Services	4,105	4,362	4,362	-
Materials and Supplies	234	273	272	1
Contractual Services	796	762	762	-
Total Clerk Of Municipal Court	<u>5,135</u>	<u>5,397</u>	<u>5,396</u>	<u>1</u>
Law				
Personal Services	648	646	646	-
Contractual Services	17	12	12	-
Total Law	<u>665</u>	<u>658</u>	<u>658</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Demolition				
Personal Services	\$ 98	\$ 87	\$ 87	\$ -
Total Demolition	<u>98</u>	<u>87</u>	<u>87</u>	
Police				
Personal Services	63,060	65,480	65,480	-
Materials and Supplies	688	705	684	21
Contractual Services	3,941	4,167	4,148	19
Total Police	<u>67,689</u>	<u>70,352</u>	<u>70,312</u>	<u>40</u>
Fire				
Personal Services	45,346	46,104	46,104	-
Materials and Supplies	456	415	402	13
Contractual Services	1,931	1,932	1,906	26
Total Fire	<u>47,733</u>	<u>48,451</u>	<u>48,412</u>	<u>39</u>
Fringe Benefits				
Personal Services	-	1,016	1,016	-
Total Fringe Benefits	<u>-</u>	<u>1,016</u>	<u>1,016</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	15	10,078	10,052	26
Total General Non-Departmental Services	<u>15</u>	<u>10,078</u>	<u>10,052</u>	<u>26</u>
TOTAL PUBLIC SAFETY	<u>128,166</u>	<u>142,855</u>	<u>142,222</u>	<u>633</u>
COMMUNITY ENVIRONMENT				
Planning Commission				
Personal Services	613	607	607	-
Materials and Supplies	25	17	17	-
Contractual Services	148	110	102	8
Total Planning Commission	<u>786</u>	<u>734</u>	<u>726</u>	<u>8</u>
General Fund Utilities				
Contractual Services	-	289	289	-
Total General Fund Utilities	<u>-</u>	<u>289</u>	<u>289</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	INITIAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Youth Commission				
Other	\$ 99	\$ 92	\$ 92	\$ -
Total Youth Commission	99	92	92	-
H N R Administration				
Personal Services	156	158	158	-
Materials and Supplies	1	-	-	-
Contractual Services	13	5	5	-
Total H N R Administration	170	163	163	-
Housing Division				
Personal Services	1	40	40	-
Materials and Supplies	1	1	1	-
Total Housing Division	2	41	41	-
Economic Development				
Personal Services	567	548	548	-
Materials and Supplies	14	7	5	2
Contractual Services	160	319	228	91
Total Economic Development	741	874	781	93
Demolition				
Personal Services	418	665	665	-
Contractual Services	1	105	-	105
Other	41	56	56	-
Total Demolition	460	826	721	105
Transportation				
Personal Services	113	127	127	-
Materials and Supplies	1	3	3	-
Contractual Services	27	59	59	-
Total Transportation	141	189	189	-
Streets Bridges & Harbors				
Personal Services	(177)	11	11	-
Materials and Supplies	8	2	2	-
Contractual Services	57	(23)	(23)	-
Total Streets Bridges & Harbors	(112)	(10)	(10)	-

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Waste Disposal				
Contractual Services	\$ 557	\$ 523	\$ 178	\$ 345.00
Total Waste Disposal	<u>557</u>	<u>523</u>	<u>178</u>	<u>345</u>
Engineering Services				
Personal Services	326	193	193	-
Materials and Supplies	8	9	6	3
Contractual Services	28	23	23	-
Total Engineering Services	<u>362</u>	<u>225</u>	<u>222</u>	<u>3</u>
Building Inspection				
Personal Services	1,831	1,799	1,799	-
Materials and Supplies	21	28	27	1
Contractual Services	193	356	348	8
Total Building Inspection	<u>2,045</u>	<u>2,183</u>	<u>2,174</u>	<u>9</u>
Parks & Forestry				
Personal Services	194	218	218	-
Contractual Services	30	32	32	-
Total Parks & Forestry	<u>224</u>	<u>250</u>	<u>250</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	143	143	-
Total Fringe Benefits	<u>-</u>	<u>143</u>	<u>143</u>	<u>-</u>
TOTAL COMMUNITY ENVIRONMENT	<u>5,475</u>	<u>6,522</u>	<u>5,959</u>	<u>563</u>
HEALTH				
Municipal Court Judges				
Personal Services	194	242	242	-
Materials and Supplies	3	3	3	-
Contractual Services	5	4	4	-
Total Municipal Court Judges	<u>202</u>	<u>249</u>	<u>249</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Refuse Collection				
Personal Services	\$ 8,544	\$ 8,803	\$ 8,803	\$ -
Materials and Supplies	77	65	64	1
Contractual Services	1,693	1,975	1,870	105
Total Refuse Collection	<u>10,314</u>	<u>10,843</u>	<u>10,737</u>	<u>106</u>
Waste Disposal				
Personal Services	1,065	1,204	1,204	-
Materials and Supplies	114	116	96	20
Contractual Services	1,595	1,470	1,305	165
Total Waste Disposal	<u>2,774</u>	<u>2,790</u>	<u>2,605</u>	<u>185</u>
Environmental Services				
Personal Services	252	253	253	-
Contractual Services	138	7	7	-
Total Environmental Services	<u>390</u>	<u>260</u>	<u>260</u>	<u>-</u>
Recreation				
Contractual Services	-	18	18	-
Total Recreation	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>
Parks & Forestry				
Personal Services	310	345	345	-
Materials and Supplies	17	9	9	-
Contractual Services	86	93	93	-
Total Parks & Forestry	<u>413</u>	<u>447</u>	<u>447</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	78	77	1
Total Fringe Benefits	<u>-</u>	<u>78</u>	<u>77</u>	<u>1</u>
TOTAL HEALTH	<u>14,093</u>	<u>14,685</u>	<u>14,393</u>	<u>292</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
PARKS AND RECREATION				
Natural Resources Administration				
Contractual Services	\$ 38	\$ 31	\$ 31	\$ -
Total Natural Resources Administration	<u>38</u>	<u>31</u>	<u>31</u>	<u>-</u>
Recreation				
Personal Services	996	1,165	1,165	-
Materials and Supplies	102	135	134	1
Contractual Services	1,009	1,182	1,175	7
Total Recreation	<u>2,107</u>	<u>2,482</u>	<u>2,474</u>	<u>8</u>
Parks & Forestry				
Personal Services	1,115	1,140	1,140	-
Materials and Supplies	80	69	69	-
Contractual Services	1,114	963	962	1
Total Parks & Forestry	<u>2,309</u>	<u>2,172</u>	<u>2,171</u>	<u>1</u>
Fringe Benefits				
Personal Services	-	39	39	-
Total Fringe Benefits	<u>-</u>	<u>39</u>	<u>39</u>	<u>-</u>
TOTAL PARKS & RECREATION	<u>4,454</u>	<u>4,724</u>	<u>4,715</u>	<u>9</u>
TOTAL CAPITAL OUTLAY	1,657	1,416	649	767
TOTAL DEBT SERVICE	4,230	3,898	3,780	118
TOTAL EXPENDITURES	<u>\$ 193,115</u>	<u>\$ 196,484</u>	<u>\$ 193,629</u>	<u>\$ 2,855</u>

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**CITY OF TOLEDO, OHIO
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2002**

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 11,575	\$ 25	\$ -
Other Cash	1	-	-
Investments	4,050	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	2,475	-	-
Special Assessments	-	756	1,543
Notes	646	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	6	139	-
Inventory of Supplies	536	-	-
Restricted Assets:			
Other Cash	-	190	-
Investments	-	-	412
	-----	-----	-----
Total Assets	\$ 19,289	\$ 1,110	\$ 1,955
	=====	=====	=====
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 1,741	\$ -	\$ -
Escrow	436	-	-
Retainages	-	-	9
Interfund Payable	959	139	175
Due to Other Governments	2	-	-
Deferred Revenue	-	756	1,543
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	1,440
	-----	-----	-----
Total Liabilities	3,138	895	3,167
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Debt Service	-	76	-
Reserved for Encumbrances	7,497	-	164
Reserved for Inventory of Supplies	537	-	-
Reserved for Long-Term Notes Receivable	713	-	-
Reserved for Prepaid Expenditures	6	139	-
Designated for Subsequent Years Expenditures	222	-	-
Undesignated	7,176	-	(1,376)
	-----	-----	-----
Total Fund Balance (Deficit)	16,151	215	(1,212)
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 19,289	\$ 1,110	\$ 1,955
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Assets		
Equity in Pooled Cash	\$ 21	\$ 11,621
Other Cash	-	1
Investments	690	4,740
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	2,475
Special Assessments	-	2,299
Notes	-	646
Interfund Receivable	-	-
Prepaid Expenditures	-	145
Inventory of Supplies	-	536
Restricted Assets:		
Other Cash	-	190
Investments	-	412
	-----	-----
Total Assets	\$ 711	\$ 23,065
	=====	=====
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ -	\$ 1,741
Escrow	-	436
Retainages	-	9
Interfund Payable	-	1,273
Due to Other Governments	-	2
Deferred Revenue	-	2,299
Other Current Liabilities	-	-
Payable From Restricted Assets:		
Notes Payable	-	1,440
	-----	-----
Total Liabilities	-	7,200
	-----	-----
 Fund Balances (Deficit):		
Reserved for Debt Service	-	76
Reserved for Encumbrances	-	7,661
Reserved for Inventory of Supplies	-	537
Reserved for Long-Term Notes Receivable	-	713
Reserved for Prepaid Expenditures	-	145
Designated for Subsequent Years Expenditures	-	222
Undesignated	711	6,511
	-----	-----
Total Fund Balance (Deficit)	711	15,865
	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 711	\$ 23,065
	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Special Revenue	Debt Service	Capital Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ 156	\$ 321
Licenses and Permits	9	-	-
Intergovernmental Services	30,823	635	-
Charges for Services	627	-	-
Investment Earnings	381	1	10
Fines and Forfeitures	494	-	-
All Other Revenue	1,074	-	-
	-----	-----	-----
Total Revenues	33,408	792	331
	-----	-----	-----
Expenditures:			
Current:			
General Government	687	-	-
Public Service	9,394	-	-
Public Safety	1,890	-	-
Public Utilities	1,149	-	-
Community Environment	16,370	-	-
Health	1,136	-	-
Parks and Recreation	182	-	-
Capital Outlay	1,359	-	313
Debt Service:			
Principal Retirement	218	9,627	-
Interest and Fiscal Charges	151	7,835	51
	-----	-----	-----
Total Expenditures	32,536	17,462	364
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	872	(16,670)	(33)
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	3,815	13,422	1
Transfers (Out)	(3,902)	(504)	-
Sale of Fixed Assets	18	-	-
Bond Proceeds	-	-	70
Refunding Bonds Issued	-	32,566	-
Premium on Bond	-	3,388	3
Payment to Refunded Bond Escrow Agent	-	(32,566)	-
Other Revenue (Expenses)	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(69)	16,306	74
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	803	(364)	41
Fund Balances (Deficit) at Beginning of Year	15,290	579	(1,253)
Increase in Reserve for Inventory/Notes	58	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 16,151	\$ 215	\$ (1,212)
	=====	=====	=====

City of Toledo, Ohio
 Non-Major Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Revenues:		
Special Assessments	\$ -	\$ 477
Licenses and Permits	-	9
Intergovernmental Services	-	31,458
Charges for Services	-	627
Investment Earnings	14	406
Fines and Forfeitures	-	494
All Other Revenue	75	1,149
	-----	-----
Total Revenues	89	34,620
	-----	-----
Expenditures:		
Current:		
General Government	-	687
Public Service	-	9,394
Public Safety	-	1,890
Public Utilities	-	1,149
Community Environment	-	16,370
Health	-	1,136
Parks and Recreation	-	182
Capital Outlay	-	1,672
Debt Service:		
Principal Retirement	-	9,845
Interest and Fiscal Charges	-	8,037
	-----	-----
Total Expenditures	-	50,362
	-----	-----
Excess (Deficiency) of Revenues over Expenditures	89	(15,742)
	-----	-----
Other Financing Sources (Uses):		
Transfers In	-	17,238
Transfers (Out)	(75)	(4,481)
Sale of Fixed Assets	-	18
Bond Proceeds	-	70
Refunding Bonds Issued	-	32,566
Premium on Bond	-	3,391
Payment to Refunded Bond Escrow Agent	-	(32,566)
Other Revenue (Expenses)	(324)	(324)
	-----	-----
Total Other Financing Sources and (Uses)	(399)	15,912
	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(310)	170
Fund Balances (Deficit) at Beginning of Year	1,021	15,637
Increase in Reserve for Inventory/Notes	-	58
	-----	-----
Fund Balance (Deficit) at Year End	\$ 711	\$ 15,865
	=====	=====

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**CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

Federal Block Grants - To account for monies received from the Federal Government under the Community Development Block Grant program. Individual program and grant activity is controlled by use of programmatic computer codes.

Operation Grants - To account for various non-capital Federal, State and Local grants including such programs as Federal and State Air Pollution Control, D.W.I. (Driving While Intoxicated) program, Child and Family Health, and WIC (Women, Infants and Children). Individual program and grant activity is controlled by use of programmatic computer codes.

Urban Development Action Grants - To account for monies received from the Federal Government under the Urban Development Action Grant program. Individual program and grant activity is controlled by use of programmatic computer codes.

Street Construction Maintenance and Repair - To account for state-levied and controlled gasoline tax and vehicle license fees remitted to the City by formula for routine street maintenance.

Cemetery Maintenance - To account for investment earnings transferred from the non-expendable Cemetery Perpetual Care Fund. Fund monies are used in maintaining the City's five public cemeteries.

Golf Improvements - To account for the portion of golf greens fees designated by City Council for major non-capital golf course maintenance.

Parkland Improvements - To account for those proceeds from parkland sales designated by City Council for minor purchases of park property and equipment.

Cemeteries Property Acquisition Site Development - To account for monies received for interments, removals and lots in municipal cemeteries and used for the expansion of municipal cemeteries.

Marina Development - To account for monies received for operation and improvement of the City's marinas and Boating Education Center.

Expendable Trusts - To account for monies donated in trust to the City. Expenditures of the forty-eight individual trust funds in existence as of December 31 are controlled by reference to individual trust balances maintained in subsidiary records.

Toledo City Parks - To account for investment earnings on funds contributed from General Fund Estate Taxes. This fund will provide funding stability to the City's parks and recreation programs.

Toledo Home Program - To account for monies received under the National Affordable Housing Act to assist low-income individuals attain home ownership. Individual program and grant activity is controlled by use of programmatic computer codes.

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 2,401	\$ 3,580	\$ 416
Other Cash	1	-	-
Investments	-	-	13
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1,653	37	67
Special Assessments	-	-	-
Notes	-	-	646
Interfund Receivable	-	-	-
Prepaid Expenditures	6	-	-
Inventory of Supplies	-	-	-
Restricted Assets:			
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ 4,061	\$ 3,617	\$ 1,142
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 368	\$ 973	\$ -
Escrow	12	154	11
Retainages	-	-	-
Interfund Payable	-	-	-
Due to Other Governments	-	-	2
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
	-----	-----	-----
Total Liabilities	380	1,127	13
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	3,238	3,330	114
Reserved for Inventory of Supplies	-	-	-
Reserved for Long-Term Notes			
Receivable	-	-	713
Reserved for Prepaid			
Expenditures	6	-	-
Designated for Subsequent			
Years Expenditures	-	-	-
Undesignated	437	(840)	302
	-----	-----	-----
Total Fund Balance (Deficit)	3,681	2,490	1,129
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 4,061	\$ 3,617	\$ 1,142
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Assets			
Equity in Pooled Cash	\$ 1,436	\$ -	\$ 71
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	637	-	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	536	-	-
Restricted Assets:			
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ 2,609	\$ -	\$ 71
	=====	=====	=====
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 61	\$ -	\$ -
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	8	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
	-----	-----	-----
Total Liabilities	61	8	-
	-----	-----	-----
Fund Balances (Deficit):			
Reserved for Encumbrances	76	-	-
Reserved for Inventory of Supplies	537	-	-
Reserved for Long-Term Notes Receivable	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	222	-	-
Undesignated	1,713	(8)	71
	-----	-----	-----
Total Fund Balance (Deficit)	2,548	(8)	71
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ 2,609	\$ -	\$ 71
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Assets			
Equity in Pooled Cash	\$ 302	\$ 50	\$ -
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	17	2	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Restricted Assets:			
Investments	-	-	-
Total Assets	\$ 319	\$ 52	\$ -
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 1
Escrow	-	-	-
Retainages	-	-	-
Interfund Payable	-	-	21
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
Total Liabilities	-	-	22
Fund Balances (Deficit):			
Reserved for Encumbrances	-	-	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Long-Term Notes Receivable	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	319	52	(22)
Total Fund Balance (Deficit)	319	52	(22)
Total Liabilities and Fund Balance (Deficit)	\$ 319	\$ 52	\$ -

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
Assets			
Equity in Pooled Cash	\$ 3,319	\$ -	\$ -
Other Cash	-	-	-
Investments	310	3,727	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	16	21	25
Special Assessments Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
Restricted Assets:	-	-	-
Investments	-	-	-
Total Assets	\$ 3,645	\$ 3,748	\$ 25
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 140	\$ 53	\$ 145
Escrow	259	-	-
Retainages	-	-	-
Interfund Payable	-	1	929
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	-
Total Liabilities	399	54	1,074
Fund Balances (Deficit):			
Reserved for Encumbrances	-	2	737
Reserved for Inventory of Supplies	-	-	-
Reserved for Long-Term Notes Receivable	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	3,246	3,692	(1,786)
Total Fund Balance (Deficit)	3,246	3,694	(1,049)
Total Liabilities and Fund Balance (Deficit)	\$ 3,645	\$ 3,748	\$ 25

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Assets	
Equity in Pooled Cash	\$ 11,575
Other Cash	1
Investments	4,050
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	2,475
Special Assessments	-
Notes	646
Interfund Receivable	-
Prepaid Expenditures	6
Inventory of Supplies	536
Restricted Assets:	
Investments	-

Total Assets	\$ 19,289
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 1,741
Escrow	436
Retainages	-
Interfund Payable	959
Due to Other Governments	2
Deferred Revenue	-
Other Current Liabilities	-
Payable From Restricted Assets:	
Notes Payable	-

Total Liabilities	3,138

Fund Balances (Deficit):	
Reserved for Encumbrances	7,497
Reserved for Inventory of Supplies	537
Reserved for Long-Term Notes Receivable	713
Reserved for Prepaid Expenditures	6
Designated for Subsequent Years Expenditures	222
Undesignated	7,176

Total Fund Balance (Deficit)	16,151

Total Liabilities and Fund Balance (Deficit)	\$ 19,289
	=====

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City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	2	-
Intergovernmental Services	10,664	7,066	-
Charges for Services	17	119	-
Investment Earnings	1	17	17
Fines and Forfeitures	-	382	-
All Other Revenue	7	63	-
	-----	-----	-----
Total Revenues	10,689	7,649	17
	-----	-----	-----
Expenditures:			
Current:			
General Government	-	10	-
Public Service	-	-	-
Public Safety	-	1,190	-
Public Utilities	-	-	-
Community Environment	9,876	4,359	-
Health	-	1,083	-
Parks and Recreation	-	2	-
Capital Outlay	340	803	-
Debt Service:			
Principal Retirement	218	-	-
Interest and Fiscal Charges	151	-	-
	-----	-----	-----
Total Expenditures	10,585	7,447	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	104	202	17
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	1,269	767	-
Transfers (Out)	(954)	(217)	-
Sale of Fixed Assets	18	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	333	550	-
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	437	752	17
Fund Balances (Deficit) at Beginning of Year	3,244	1,738	1,112
Increase in Reserve for Inventory/Notes	-	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 3,681	\$ 2,490	\$ 1,129
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	7	-	-
Intergovernmental Services	10,550	-	-
Charges for Services	7	-	192
Investment Earnings	-	14	-
Fines and Forfeitures	112	-	-
All Other Revenue	8	-	-
	-----	-----	-----
Total Revenues	10,684	14	192
	-----	-----	-----
Expenditures:			
Current:			
General Government	-	-	-
Public Service	9,394	-	-
Public Safety	97	-	-
Public Utilities	1,149	-	-
Community Environment	8	-	-
Health	-	18	-
Parks and Recreation	-	-	-
Capital Outlay	83	11	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	10,731	29	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	(47)	(15)	192
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	574	-	-
Transfers (Out)	(489)	-	(150)
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	85	-	(150)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	38	(15)	42
Fund Balances (Deficit) at Beginning of Year	2,452	7	29
Increase in Reserve for Inventory/Notes	58	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 2,548	\$ (8)	\$ 71
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	-	-	-
Charges for Services	3	24	101
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	85	-	1
Total Revenues	88	24	102
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	-	-
Public Utilities	-	-	-
Community Environment	-	-	-
Health	-	17	-
Parks and Recreation	-	-	134
Capital Outlay	42	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	42	17	134
Excess (Deficiency) of Revenues over Expenditures	46	7	(32)
Other Financing Sources (Uses):			
Transfers In	-	-	6
Transfers (Out)	-	-	-
Sale of Fixed Assets	-	-	-
Total Other Financing Sources and (Uses)	-	-	6
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	46	7	(26)
Fund Balances (Deficit) at Beginning of Year	273	45	4
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 319	\$ 52	\$ (22)

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	-	-	2,543
Charges for Services	164	-	-
Investment Earnings	207	125	-
Fines and Forfeitures	-	-	-
All Other Revenue	910	-	-
	-----	-----	-----
Total Revenues	1,281	125	2,543
	-----	-----	-----
Expenditures:			
Current:			
General Government	559	118	-
Public Service	-	-	-
Public Safety	603	-	-
Public Utilities	-	-	-
Community Environment	-	-	2,127
Health	18	-	-
Parks and Recreation	46	-	-
Capital Outlay	-	-	80
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	1,226	118	2,207
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	55	7	336
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	1,121	-	78
Transfers (Out)	(1,887)	-	(205)
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(766)	-	(127)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(711)	7	209
Fund Balances (Deficit) at Beginning of Year	3,957	3,687	(1,258)
Increase in Reserve for Inventory/Notes	-	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 3,246	\$ 3,694	\$ (1,049)
	=====	=====	=====

City of Toledo, Ohio
 Non Major Funds
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

	Total Special Revenue Funds

Revenues:	
Special Assessments	\$ -
Licenses and Permits	9
Intergovernmental Services	30,823
Charges for Services	627
Investment Earnings	381
Fines and Forfeitures	494
All Other Revenue	1,074

Total Revenues	33,408

Expenditures:	
Current:	
General Government	687
Public Service	9,394
Public Safety	1,890
Public Utilities	1,149
Community Environment	16,370
Health	1,136
Parks and Recreation	182
Capital Outlay	1,359
Debt Service:	
Principal Retirement	218
Interest and Fiscal Charges	151

Total Expenditures	32,536

Excess (Deficiency) of Revenues over Expenditures	872

Other Financing Sources (Uses):	
Transfers In	3,815
Transfers (Out)	(3,902)
Sale of Fixed Assets	18

Total Other Financing Sources and (Uses)	(69)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	803
Fund Balances (Deficit) at Beginning of Year	15,290
Increase in Reserve for Inventory/Notes	58

Fund Balance (Deficit) at Year End	\$ 16,151
	=====

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City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)

Federal Block Grants

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	5,810	15,858	10,664	(5,194)
Charges for Services	13	31	17	(14)
Investment Earnings	-	-	1	1
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	1	7	6
Total Revenues	5,823	15,890	10,689	(5,201)
Expenditures:				
Current:				
General Government	(2)	2	-	2
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	7,889	17,261	9,876	7,385
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	254	547	340	207
Debt Service:				
Principal Retirement	(15)	307	218	89
Interest and Fiscal Charges	167	214	151	63
Total Expenditures	8,293	18,331	10,585	7,746
Excess (Deficiency) of Revenues over Expenditures	(2,470)	(2,441)	104	2,545
Other Financing Sources (Uses):				
Transfers In	-	1,269	1,269	-
Transfers (Out)	(184)	(1,138)	(954)	184
Sale of Fixed Assets	-	20	18	(2)
Total Other Financing Sources and (Uses)	(184)	151	333	182
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (2,654)	\$ (2,290)	437	\$ 2,727
Fund Balances (Deficit) at Beginning of Year			3,244	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 3,681	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

Operation Grants

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
	-----	-----	-----	-----
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	2	2
Intergovernmental Services	17,985	24,753	7,066	(17,687)
Charges for Services	-	-	119	119
Investment Earnings	8	21	17	(4)
Fines and Forfeitures	-	183	382	199
All Other Revenue	39	107	63	(44)
Total Revenues	18,032	25,064	7,649	(17,415)
Expenditures:				
Current:				
General Government	-	10	10	-
Public Service	965	965	-	965
Public Safety	3,597	3,885	1,190	2,695
Public Utilities	1	1	-	1
Community Environment	7,648	11,662	4,359	7,303
Health	2,135	3,493	1,083	2,410
Parks and Recreation	1	14	2	12
Capital Outlay	1,721	3,454	803	2,651
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	16,068	23,484	7,447	16,037
Excess (Deficiency) of Revenues over Expenditures	1,964	1,580	202	(1,378)
Other Financing Sources (Uses):				
Transfers In	13	807	767	(40)
Transfers (Out)	-	(217)	(217)	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	13	590	550	(40)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 1,977	\$ 2,170	752	\$ (1,418)
Fund Balances (Deficit) at Beginning of Year			1,738	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 2,490	

City of Toledo, Ohio
 Special Revenue Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2002
 (Amounts in Thousands)
 (Continued)

Urban Development Action
 Grant

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	364	364	-	(364)
Charges for Services	-	-	-	-
Investment Earnings	-	-	17	17
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	364	364	17	(347)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	128	128	-	128
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	192	192	-	192
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	320	320	-	320
Excess (Deficiency) of Revenues over Expenditures	44	44	17	(27)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 44	\$ 44	17	\$ (27)
Fund Balances (Deficit) at Beginning of Year			1,112	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 1,129	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Street Construction Maintenance and Repair			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	10	10	7	(3)
Intergovernmental Services	10,551	10,543	10,550	7
Charges for Services	3	3	7	4
Investment Earnings	-	-	-	-
Fines and Forfeitures	131	131	112	(19)
All Other Revenue	1	2	8	6
Total Revenues	10,696	10,689	10,684	(5)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	10,406	10,378	9,394	984
Public Safety	107	106	97	9
Public Utilities	1,864	1,872	1,149	723
Community Environment	7	8	8	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	85	83	83	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	12,469	12,447	10,731	1,716
Excess (Deficiency) of Revenues over Expenditures	(1,773)	(1,758)	(47)	1,711
Other Financing Sources (Uses):				
Transfers In	-	574	574	-
Transfers (Out)	(522)	(489)	(489)	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(522)	85	85	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (2,295)	\$ (1,673)	38	\$ 1,711
Fund Balances (Deficit) at Beginning of Year			2,452	
Increase in Reserve for Inventory			58	
Fund Balance (Deficit) at Year End			\$ 2,548	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Cemetery Maintenance			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	36	36	-	(36)
Investment Earnings	18	18	14	(4)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>54</u>	<u>54</u>	<u>14</u>	<u>(40)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	24	24	18	6
Parks and Recreation	-	-	-	-
Capital Outlay	12	12	11	1
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>36</u>	<u>36</u>	<u>29</u>	<u>7</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18</u>	<u>18</u>	<u>(15)</u>	<u>(33)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 18</u>	<u>\$ 18</u>	<u>(15)</u>	<u>\$ (33)</u>
Fund Balances (Deficit) at Beginning of Year			7	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ (8)</u>	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Golf Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	170	170	192	22
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	170	170	192	22
Expenditures:				
Current:				
General Government	20	20	-	20
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	20	20	-	20
Excess (Deficiency) of Revenues over Expenditures	150	150	192	42
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	(150)	(150)	(150)	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(150)	(150)	(150)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	42	\$ 42
Fund Balances (Deficit) at Beginning of Year			29	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 71	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Parkland Improvements			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
	-----	-----	-----	-----
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	3	3
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	45	85	40
	-----	-----	-----	-----
Total Revenues	-	45	88	43
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	45	42	3
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	-	45	42	3
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	-	-	46	46
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	-	-	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	46	\$ 46
Fund Balances (Deficit) at Beginning of Year	=====	=====	273	=====
Increase in Reserve for Inventory			-	

Fund Balance (Deficit) at Year End			\$ 319	
			=====	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
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-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Cemeteries Property Acquisition Site Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
	-----	-----	-----	-----
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	20	20	24	4
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	20	20	24	4
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	20	20	17	3
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	20	20	17	3
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	-	-	7	7
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	-	-	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	7	\$ 7
	=====	=====		=====
Fund Balances (Deficit) at Beginning of Year			45	
Increase in Reserve for Inventory			-	

Fund Balance (Deficit) at Year End			\$ 52	
			=====	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Marina Development			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	109	109	101	(8)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	1	1
Total Revenues	109	109	102	(7)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	120	134	134	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	120	134	134	-
Excess (Deficiency) of Revenues over Expenditures	(11)	(25)	(32)	(7)
Other Financing Sources (Uses):				
Transfers In	-	6	6	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	6	6	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (11)	\$ (19)	(26)	\$ (7)
Fund Balances (Deficit) at Beginning of Year			4	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (22)	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Expendable Trusts			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	164	164
Investment Earnings	2	2	207	205
Fines and Forfeitures	-	-	-	-
All Other Revenue	26	(261)	910	1,171
Total Revenues	28	(259)	1,281	1,540
Expenditures:				
Current:				
General Government	2,049	2,163	559	1,604
Public Service	-	-	-	-
Public Safety	1,065	1,272	603	669
Public Utilities	-	-	-	-
Community Environment	2	-	-	-
Health	674	768	18	750
Parks and Recreation	323	224	46	178
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	4,113	4,427	1,226	3,201
Excess (Deficiency) of Revenues over Expenditures	(4,085)	(4,686)	55	4,741
Other Financing Sources (Uses):				
Transfers In	-	50	1,121	1,071
Transfers (Out)	(13)	(1,926)	(1,887)	39
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	(13)	(1,876)	(766)	1,110
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (4,098)	\$ (6,562)	\$ (711)	\$ 5,851
Fund Balances (Deficit) at Beginning of Year			3,957	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 3,246	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
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-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Toledo City Parks			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	125	125
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	-	-	125	125
Expenditures:				
Current:				
General Government	5	123	118	5
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	5	123	118	5
Excess (Deficiency) of Revenues over Expenditures	(5)	(123)	7	130
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (5)	\$ (123)	7	\$ 130
Fund Balances (Deficit) at Beginning of Year			3,687	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 3,694	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

Toledo Home Program

	Initial Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
	-----	-----	-----	-----
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	6,024	7,797	2,543	(5,254)
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	6,024	7,797	2,543	(5,254)
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	(3)	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	3,966	6,254	2,127	4,127
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	580	80	80	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	4,543	6,334	2,207	4,127
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	1,481	1,463	336	(1,127)
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	78	78	-
Transfers (Out)	-	(205)	(205)	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	(127)	(127)	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 1,481	\$ 1,336	209	\$ (1,127)
Fund Balances (Deficit) at Beginning of Year	=====	=====	(1,258)	=====
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (1,049)	
			=====	

City of Toledo, Ohio
Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	10	10	9	(1)
Intergovernmental Services	40,734	59,315	30,823	(28,492)
Charges for Services	351	369	627	258
Investment Earnings	28	41	381	340
Fines and Forfeitures	131	314	494	180
All Other Revenue	66	(106)	1,074	1,180
Total Revenues	41,320	59,943	33,408	(26,535)
Expenditures:				
Current:				
General Government	2,069	2,318	687	1,631
Public Service	11,371	11,343	9,394	1,949
Public Safety	4,769	5,263	1,890	3,373
Public Utilities	1,865	1,873	1,149	724
Community Environment	19,640	35,313	16,370	18,943
Health	2,853	4,305	1,136	3,169
Parks and Recreation	444	372	182	190
Capital Outlay	2,844	4,413	1,359	3,054
Debt Service:				
Principal Retirement	(15)	307	218	89
Interest and Fiscal Charges	167	214	151	63
Total Expenditures	46,007	65,721	32,536	33,185
Excess (Deficiency) of Revenues over Expenditures	(4,687)	(5,778)	872	6,650
Other Financing Sources (Uses):				
Transfers In	13	2,784	3,815	1,031
Transfers (Out)	(869)	(4,125)	(3,902)	223
Sale of Fixed Assets	0	20	18	(2)
Total Other Financing Sources and (Uses)	(856)	(1,321)	(69)	1,252
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (5,543)	\$ (7,099)	803	\$ 7,902
Fund Balances (Deficit) at Beginning of Year			15,290	
Increase in Reserve for Inventory			58	
Fund Balance (Deficit) at Year End			\$ 16,151	

**CITY OF TOLEDO, OHIO
DEBT SERVICE FUNDS
DECEMBER 31, 2002**

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

Urban Renewal - To account for semiannual Urban Renewal Service payments to be used exclusively for payment of Urban Renewal bonds issued pursuant to 725.01-725.11 inclusive of the Ohio Revised Code.

Special Assessment Debt Service - To account for resources accumulated to repay special assessment notes and bond debt.

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City of Toledo, Ohio
 Non-Major Funds
 Debt Service Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)

	General Obligation	Urban Renewal	Special Assessment Debt Service	Total Non-Major Fund.
Assets				
Equity in Pooled Cash	\$ -	\$ -	\$ 25	\$ 25
Receivables (Net of Allowance for Uncollectible Accounts):				
Special Assessments	-	-	756	756
Interfund Receivable	-	-	-	-
Prepaid Expenditures	139	-	-	139
Restricted Assets:				
Other Cash	-	190	-	190
Investments	-	-	-	-
Total Assets	\$ 139	\$ 190	\$ 781	\$ 1,110
Liabilities and Fund Balances				
Liabilities				
Interfund Payable	\$ 139	\$ -	\$ -	\$ 139
Deferred Revenue	-	-	756	756
Total Liabilities	139	-	756	895
Fund Balances (Deficit):				
Reserved for Debt Service	(139)	190	25	76
Reserved for Prepaid Expenditures	139	-	-	139
Total Fund Balance (Deficit)	-	190	25	215
Total Liabilities and Fund Balance (Deficit)	\$ 139	\$ 190	\$ 781	\$ 1,110

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City of Toledo, Ohio
 Non-Major Funds
 Debt Service Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	General Obligation	Urban Renewal	Special Assessment Debt Service	Total Non-Major Fund
Revenues:				
Special Assessments	\$ -	\$ -	\$ 156	\$ 156
Intergovernmental Services	-	635	-	635
Investment Earnings	-	1	-	1
Total Revenues	-	636	156	792
Expenditures:				
Debt Service:				
Principal Retirement	9,035	490	102	9,627
Interest and Fiscal Charges	7,766	40	29	7,835
Total Expenditures	16,801	530	131	17,462
Excess (Deficiency) of Revenues over Expenditures	(16,801)	106	25	(16,670)
Other Financing Sources (Uses):				
Transfers In	13,422	-	-	13,422
Transfers (Out)	(9)	-	(495)	(504)
Refunding Bonds Issued	32,566	-	-	32,566
Premium on Bond	3,388	-	-	3,388
Payment to Refunded Bond Escrow Agent	(32,566)	-	-	(32,566)
Total Other Financing Sources and (Uses)	16,801	-	(495)	16,306
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	106	(470)	(364)
Fund Balances (Deficit) at Beginning of Year	-	84	495	579
Fund Balance (Deficit) at Year End	\$ -	\$ 190	\$ 25	\$ 215

City of Toledo, Ohio
 Debt Service Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	General Obligation			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	-	\$ -
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Debt Service:				
Principal Retirement	9,035	9,035	9,035	-
Interest and Fiscal Charges	5,167	7,766	7,766	-
Total Expenditures	14,202	16,801	16,801	-
Excess (Deficiency) of Revenues over Expenditures	(14,202)	(16,801)	(16,801)	-
Other Financing Sources (Uses):				
Transfers In	14,202	13,422	13,422	-
Transfers (Out)	-	(9)	(9)	-
Refunding Bonds Issued	-	32,566	32,566	-
Premium on Bond	-	3,388	3,388	-
Payment to Refunded Bond Escrow Agent	-	(32,566)	(32,566)	-
Total Other Financing Sources and (Uses)	14,202	16,801	16,801	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Fund Balances (Deficit) at Beginning of Year				
Fund Balance (Deficit) at Year End			\$ -	

City of Toledo, Ohio
Debt Service Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Urban Renewal			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	757	757	635	(122)
Investment Earnings	14	14	1	(13)
Total Revenues	771	771	636	(135)
Expenditures:				
Debt Service:				
Principal Retirement	295	490	490	-
Interest and Fiscal Charges	84	40	40	-
Total Expenditures	379	530	530	-
Excess (Deficiency) of Revenues over Expenditures	392	241	106	(135)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 392	\$ 241	\$ 106	\$ (135)
Fund Balances (Deficit) at Beginning of Year	-	-	84	-
Fund Balance (Deficit) at Year End	-	-	190	-

City of Toledo, Ohio
Debt Service Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Special Assessment Debt Service			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 371	\$ 371	\$ 156	\$ (215)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	371	371	156	(215)
Expenditures:				
Debt Service:				
Principal Retirement	102	102	102	-
Interest and Fiscal Charges	45	45	29	16
Total Expenditures	147	147	131	16
Excess (Deficiency) of Revenues over Expenditures	224	224	25	(199)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	(495)	(495)	-
Refunding Bonds Issued	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	-	(495)	(495)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 224	\$ (271)	\$ (470)	\$ (199)
Fund Balances (Deficit) at Beginning of Year			495	
Fund Balance (Deficit) at Year End			\$ 25	

City of Toledo, Ohio
Debt Service Funds
Combining Statement of Revenues,
Expenditures and Changes in
Fund Balances
-Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Total			Favorable (Unfavorable) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 371	\$ 371	\$ 156	\$ (215)
Intergovernmental Services	757	757	635	(122)
Investment Earnings	14	14	1	(13)
Total Revenues	<u>1,142</u>	<u>1,142</u>	<u>792</u>	<u>(350)</u>
Expenditures:				
Debt Service:				
Principal Retirement	9,432	9,627	9,627	-
Interest and Fiscal Charges	5,296	7,851	7,835	16
Total Expenditures	<u>14,728</u>	<u>17,478</u>	<u>17,462</u>	<u>16</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,586)</u>	<u>(16,336)</u>	<u>(16,670)</u>	<u>(334)</u>
Other Financing Sources (Uses):				
Transfers In	14,202	13,422	13,422	-
Transfers (Out)	-	(504)	(504)	-
Refunding Bonds Issued	-	32,566	32,566	-
Premium on Bond	-	3,388	3,388	-
Payment to Refunded Bond Escrow Agent	-	(32,566)	(32,566)	-
Total Other Financing Sources and (Uses)	<u>14,202</u>	<u>16,306</u>	<u>16,306</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 616</u>	<u>\$ (30)</u>	<u>(364)</u>	<u>\$ (334)</u>
Fund Balances (Deficit) at Beginning of Year			<u>579</u>	
Fund Balance (Deficit) at Year End			<u>\$ 215</u>	

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**CITY OF TOLEDO, OHIO
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002**

Special Assessment Improvements - To account for proceeds of special assessments (and related note bond sales) levied against property benefited by various capital construction projects.

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City of Toledo, Ohio
 Non-Major Funds
 Capital Projects Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)

	Special Assessment Improvements

Assets	
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	\$ -
Special Assessments	1,543
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Investments	412

Total Assets	\$ 1,955
	=====
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ -
Escrow	-
Retainages	9
Interfund Payable	175
Due to Other Governments	-
Deferred Revenue	1,543
Other Current Liabilities	
Debt:	
Notes Payable	1,440

Total Liabilities	3,167

Fund Balances (Deficit):	
Reserved for Encumbrances	164
Reserved for Inventory of Supplies	-
Reserved for Capital Improvements	-
Reserved for Prepaid Expenditures	-
Undesignated	(1,376)

Total Fund Balance (Deficit)	(1,212)

Total Liabilities and Fund Balance (Deficit)	\$ 1,955
	=====

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City of Toledo, Ohio
 Non-Major Funds
 Capital Projects Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Special Assessment Improvements

Revenues:	
Special Assessments	\$ 321
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	10
All Other Revenue	-

Total Revenues	331

Expenditures:	
Capital Outlay	313
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	51

Total Expenditures	364

Excess (Deficiency) of Revenues over Expenditures	(33)

Other Financing Sources (Uses):	
Transfers In	1
Transfers (Out)	-
Bond Proceeds	70
Note Proceeds	-
Premiums on Bond	3
Other	-

Total Other Financing Sources and (Uses)	74

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	41
Fund Balances (Deficit) at Beginning of Year	(1,253)
Increase in Reserve for Inventory	-

Fund Balance (Deficit) at Year End	\$ (1,212)
	=====

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City of Toledo, Ohio
 Capital Projects Funds
 Combining Statement of Revenues,
 Expenditures and Changes in
 Fund Balances
 -Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Special Assessment Improvements		Actual	Favorable (Unfavorable) Variance
	Initial Budget	Final Budget		
Revenues:				
Special Assessments	\$ -	\$ -	\$ 321	\$ 321
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	10	10
All Other Revenue	1	1	-	(1)
Total Revenues	<u>1</u>	<u>1</u>	<u>331</u>	<u>330</u>
Expenditures:				
Capital Outlay	264	689	313	376
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	308	234	51	183
Total Expenditures	<u>572</u>	<u>923</u>	<u>364</u>	<u>559</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(571)</u>	<u>(922)</u>	<u>(33)</u>	<u>889</u>
Other Financing Sources (Uses):				
Transfers In	-	1	1	-
Bond Proceeds	3,610	1,510	70	(1,440)
Premiums on Bond	-	-	3	3
Total Other Financing Sources and (Uses)	<u>3,610</u>	<u>1,511</u>	<u>74</u>	<u>(1,437)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 3,039</u>	<u>\$ 589</u>	<u>41</u>	<u>\$ (548)</u>
Fund Balances (Deficit) at Beginning of Year			<u>(1,253)</u>	
Fund Balance (Deficit) at Year End			<u>\$ (1,212)</u>	

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**CITY OF TOLEDO, OHIO
PERMANENT FUNDS
DECEMBER 31, 2002**

NON-EXPENDABLE TRUST FUND

Cemetery Perpetual Care - To account for revenues from sales of plots in the City's five cemeteries. Investment earnings, if any, from this Fund are credited to the Cemetery Maintenance Fund as directed by legislation.

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City of Toledo, Ohio
 Non-Major Funds
 Permanent Funds
 Combining Balance Sheet
 December 31, 2002
 (Amounts in Thousands)

	Permanent Funds

Assets	
Equity in Pooled Cash	\$ 21
Other Cash	-
Investments	690
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	-
Special Assessments	-
Notes	-
Interfund Receivable	-
Prepaid Expenditures	-
Inventory of Supplies	-
Restricted Assets:	
Other Cash	-
Investments	-

Total Assets	\$ 711
	=====
 Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ -
Escrow	-
Retainages	-
Interfund Payable	-
Due to Other Governments	-
Deferred Revenue	-
Other Current Liabilities	-
Payable From Restricted Assets:	
Notes Payable	-

Total Liabilities	-

 Fund Balances (Deficit):	
Reserved for Debt Service	-
Reserved for Encumbrances	-
Reserved for Inventory of Supplies	-
Reserved for Long-Term Notes Receivable	-
Reserved for Prepaid Expenditures	-
Designated for Subsequent Years Expenditures	-
Undesignated	711

Total Fund Balance (Deficit)	711

Total Liabilities and Fund Balance (Deficit)	\$ 711
	=====

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City of Toledo, Ohio
 Non-Major Funds
 Permanent Funds
 Expenditures and Changes in
 Fund Balances
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Permanent Funds

Revenues:	
Special Assessments	\$ -
Licenses and Permits	-
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	-
Fines and Forfeitures	-
All Other Revenue	75

Total Revenues	75

Expenditures:	
Current:	
General Government	-
Public Service	-
Public Safety	-
Public Utilities	-
Community Environment	-
Health	-
Parks and Recreation	-
Capital Outlay	-
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	-

Total Expenditures	-

Excess (Deficiency) of Revenues over Expenditures	75

Other Financing Sources (Uses):	
Transfers In	-
Transfers (Out)	(75)
Sale of Fixed Assets	-
Bond Proceeds	-
Premium on Bond	-
Investment Earnings	14
Other Revenue (Expenses)	(324)

Total Other Financing Sources and (Uses)	(385)

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(310)
Fund Balances (Deficit) at Beginning of Year	1,021
Increase in Reserve for Inventory/Notes	-

Fund Balance (Deficit) at Year End	\$ 711
	=====

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CITY OF TOLEDO, OHIO
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2002

Storm Sewer – To account for storm drainage services provided to individual and commercial residents of the City.

Utility Administrative Services - To account for operating overhead activities not specifically allocable to either of the two utility funds.

Parking - To account for the provision of on-and-off street facilities.

Property Management - To facilitate accountability and control of certain properties acquired for the purpose of property management. The City accounts for such properties on a capital maintenance basis similar to private business enterprises, to aid in the recovery of on-going costs for the production of income by such properties, and to facilitate management and accounting control.

Small Business Development - To account for the assets of the former Small Business Assistance Corporation, which the City of Toledo assumed in 1989.

By virtue of Ohio law, certain separate funds are maintained for enterprise debt service and capital improvements. Inasmuch as GASB Statement 1 requires that all such activities be accounted for within the respective Enterprise Fund itself, the City has consolidated the various legally-required funds into the categories indicated above for purposes of these financial statements.

City of Toledo, Ohio
Enterprise Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousand)

Non-Major – Enterprise Funds

	<u>Storm Sewer</u>	<u>Utility Administrative Services</u>	<u>Parking</u>	<u>Property Management</u>
Assets				
Current Assets				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ 855
Other Cash	---	---	---	1
Investments	4,743	8,504	---	---
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	1,276	54	---	(28)
Notes	---	---	---	21,274
Interfund Receivable	---	---	---	---
Due from Other Governments	13	---	---	---
Prepaid Expenses	---	37	---	4
Inventory of Supplies	---	7	---	---
Total Current Assets	<u>6,032</u>	<u>8,602</u>	<u>---</u>	<u>22,162</u>
Restricted Assets:				
Equity in Pooled Cash	5,869	---	---	---
Other Cash	---	---	---	666
Investments	---	---	---	---
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	---	---	---	---
Interfund Receivable	---	---	---	---
Due from Other Governments	---	---	---	---
Total Restricted Assets	<u>5,869</u>	<u>---</u>	<u>---</u>	<u>666</u>
Property, Plant and Equipment				
Land	---	---	6,549	2,010
Buildings	---	4,538	23,644	6,049
Improvements	1,527	31	805	2,207
Machinery and Equipment	403	550	271	---
Furniture and Fixtures	---	605	9	---
Distribution System	---	---	---	---
Construction in Progress	5,637	---	---	---
Less: Accumulated Depreciation	<u>(22)</u>	<u>(2,679)</u>	<u>(6,893)</u>	<u>(1,234)</u>
Net Property, Plant, and Equipment	<u>7,545</u>	<u>3,045</u>	<u>24,385</u>	<u>9,032</u>
Other Assets:				
Deferred Debt Issuance Cost	---	---	---	---
Total Assets	<u>\$ 19,446</u>	<u>\$ 11,647</u>	<u>\$ 24,385</u>	<u>\$ 31,860</u>

City of Toledo, Ohio
Enterprise Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousand)
(Continued)

	<u>Small Business Development</u>	<u>Non-Major Enterprise</u>
Assets		
Current Assets		
Equity in Pooled Cash	\$ 431	\$ 1,286
Other Cash	---	1
Investments	14	13,261
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	136	1,494
Notes	70	21,344
Interfund Receivable	---	---
Due From Other Governments	---	13
Prepaid Expenses	7	48
Inventory of Supplies	<u>---</u>	<u>7</u>
Total Current Assets	<u>658</u>	<u>37,454</u>
Restricted Assets:		
Equity in Pooled Cash	---	5,869
Other Cash	---	---
Investments	---	666
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	---	---
Interfund Receivable	---	---
Due From Other Governments	<u>---</u>	<u>---</u>
Total Restricted Assets	<u>---</u>	<u>6,535</u>
Property, Plant and Equipment		
Land	153	8,712
Buildings	---	34,231
Improvements	1,405	5,976
Machinery and Equipment	35	1,259
Furniture and Fixtures	3	617
Distribution System	---	---
Construction in Progress	---	5,637
Less: Accumulated Depreciation	<u>(875)</u>	<u>(11,703)</u>
Net Property, Plant and Equipment	<u>721</u>	<u>44,728</u>
Other Assets:		
Deferred Debt Issuance Cost	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 1,379</u>	<u>\$ 88,717</u>

City of Toledo, Ohio
Enterprise Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousand)
(Continued)

	<u>Storm Sewer</u>	<u>Utility Administrative Services</u>	<u>Parking</u>	<u>Property Management</u>
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable	\$ 67	\$ 73	\$ ---	\$ 36
Escrow	---	---	26	---
Retainages	---	---	---	---
Interfund Payable	5,554	7,764	387	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>16</u>	<u>---</u>
Total Current Liabilities	<u>5,621</u>	<u>7,837</u>	<u>429</u>	<u>36</u>
Payable from Restricted Assets:				
Accounts Payable	313	---	---	---
Escrow	---	---	---	---
Retainages	175	---	---	---
Interfund Payable	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Current Liabilities from Restricted Assets	<u>488</u>	<u>---</u>	<u>---</u>	<u>---</u>
Debt:				
Current Portion	1,386	158	733	928
General Obligation Bonds Payable	---	---	2,070	26,103
Revenue Bonds Payable	---	---	---	---
Capital Lease Obligation	<u>---</u>	<u>3,431</u>	<u>7,350</u>	<u>---</u>
Total Long-Term Liabilities	<u>1,386</u>	<u>3,589</u>	<u>10,153</u>	<u>27,031</u>
Total Liabilities	<u>7,495</u>	<u>11,426</u>	<u>10,582</u>	<u>27,067</u>
Net Assets				
Invested in Capital Assets net of related debt:	6,159	(544)	14,232	(17,999)
Reserved for Debt Service	130	---	---	---
Reserved for Replacement	2,154	---	---	---
Reserved for Improvement	9,218	---	---	---
Unrestricted	<u>(5,710)</u>	<u>764</u>	<u>(429)</u>	<u>22,792</u>
Total Net Assets	<u>\$ 11,951</u>	<u>\$ 220</u>	<u>\$ 13,803</u>	<u>\$ 4,793</u>

City of Toledo, Ohio
Enterprise Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousand)
(Continued)

	<u>Small Business Development</u>	<u>Non-Major Enterprise</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts Payable	\$ 7	\$ 183
Escrow	(2)	24
Retainages	---	---
Interfund Payable	---	13,705
Due to Other Governments	---	---
Other Current Liabilities	<u>37</u>	<u>53</u>
Total Current Liabilities	<u>42</u>	<u>13,965</u>
Payable from Restricted Assets:		
Accounts Payable	---	313
Escrow	---	---
Retainages	---	175
Interfund Payable	---	---
Due to Other Governments	---	---
Other Current Liabilities	<u>---</u>	<u>---</u>
Total Current Liabilities from Restricted Assets	<u>---</u>	<u>488</u>
Debt:		
Current Portion	---	3,205
General Obligation Bonds Payable	---	28,173
Revenue Bonds Payable	---	---
Capital Lease Obligation	<u>---</u>	<u>10,781</u>
Total Long-Term Liabilities	<u>---</u>	<u>42,159</u>
Total Liabilities	<u>42</u>	<u>56,612</u>
Net Assets		
Invested in Capital Assets net of related debt:	722	2,570
Reserved for Debt Service	---	130
Reserved for Replacement	---	2,154
Reserved for Improvement	---	9,218
Unrestricted	<u>616</u>	<u>18,033</u>
Total Net Assets	<u>\$ 1,338</u>	<u>\$ 32,105</u>

City of Toledo, Ohio
Enterprise Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2002
(Amounts in Thousand)

Non-Major – Enterprise Funds
Business-Type Activities

	<u>Storm Sewer</u>	<u>Utility Administrative Services</u>	<u>Parking</u>	<u>Property Management</u>
Operating Revenues:				
Charges for Services	\$ 7,664	\$ 7,641	\$ 553	\$ 904
Other Revenue	<u>22</u>	<u>---</u>	<u>764</u>	<u>213</u>
Total Operating Revenues	<u>7,686</u>	<u>7,641</u>	<u>1,317</u>	<u>1,117</u>
Operating Expenses:				
Personal Services	2,293	5,346	---	---
Contractual Services	1,214	1,440	---	49
Materials and Supplies	4	525	---	---
Utilities	---	64	---	---
Depreciation and Amortization	<u>21</u>	<u>381</u>	<u>593</u>	<u>220</u>
Total Operating Expenses	<u>3,532</u>	<u>7,756</u>	<u>593</u>	<u>269</u>
Operating Income (Loss)	<u>4,154</u>	<u>(115)</u>	<u>724</u>	<u>848</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	152	104	---	586
Interest Expense and Fiscal Charges	(44)	(316)	(674)	(1,587)
Sale of Fixed Assets	---	---	---	1,204
State Grants	1,585	---	---	---
Other Revenue (Expenses)	<u>---</u>	<u>---</u>	<u>(3)</u>	<u>(1,195)</u>
Total Nonoperating Revenues (Expenses)	<u>1,693</u>	<u>(212)</u>	<u>(677)</u>	<u>(992)</u>
Income (Loss) before Operating Transfers	5,847	(327)	47	(144)
Transfers In	7	311	24	743
Transfers (Out)	<u>(112)</u>	<u>---</u>	<u>(50)</u>	<u>(500)</u>
Total Operating Transfers In (Out)	<u>(105)</u>	<u>311</u>	<u>(26)</u>	<u>243</u>
Change in Net Assets	5,742	(16)	21	99
Net Assets at Beginning of Year (as restated)	<u>6,209</u>	<u>236</u>	<u>13,782</u>	<u>4,694</u>
Net Assets at End of Year	<u>\$ 11,951</u>	<u>\$ 220</u>	<u>\$13,803</u>	<u>\$ 4,793</u>

City of Toledo, Ohio
Enterprise Funds
Combining Statement of Revenues,
Expenses and Changes in Net Assets
For the Year Ended December 31, 2002
(Amounts in Thousand)
(Continued)

	<u>Small Business Development</u>	<u>Total Non-Major Enterprise</u>
Operating Revenues:		
Charges for Services	\$ 62	\$ 16,824
Other Revenue	<u>---</u>	<u>999</u>
Total Operating Revenues	<u>62</u>	<u>17,823</u>
Operating Expenses:		
Personal Services	12	7,651
Contractual Services	21	2,724
Materials and Supplies	---	529
Utilities	17	81
Depreciation and Amortization	<u>---</u>	<u>1,215</u>
Total Operating Expenses	<u>50</u>	<u>12,200</u>
Operating Income (Loss)	<u>12</u>	<u>5,623</u>
Nonoperating Revenues (Expenses):		
Investment Earnings	---	842
Interest Expense and Fiscal Charges	---	(2,621)
Sale of Fixed Assets	---	1,204
State Grants	---	1,585
Other Revenue (Expenses)	<u>---</u>	<u>(1,198)</u>
Total Nonoperating Revenues (Expenses)	<u>---</u>	<u>(188)</u>
Income (Loss) before Operating Transfers	12	5,435
Transfers In	1	1,086
Transfers (Out)	<u>---</u>	<u>(662)</u>
Total Operating Transfers In (Out)	<u>1</u>	<u>424</u>
Change in Net Assets	13	5,859
Net Assets at Beginning of Year (as restated)	<u>1,325</u>	<u>26,246</u>
Net Assets at End of Year	<u>\$ 1,338</u>	<u>\$ 32,105</u>

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Storm Sewer	Administrative Services	Parking	Property Management	Business Development	Non-Major Enterprise
Cash Flows from Operating Activity						
Receipts from Customers	\$ 7,673	\$ 7,620	\$ 553	\$ 904	\$ 60	\$ 16,810
Payments to Suppliers	4,595	(380)	-	50	(38)	4,227
Payment to Employees	(2,293)	(5,346)	-	-	(12)	(7,651)
Internal Activity	-	-	-	-	-	-
Other Payments	1,608	-	811	398	-	2,817
Net Cash Provided by (Used for) Operating Activity	11,583	1,894	1,364	1,352	10	16,203
Cash Flows from Noncapital Financing Activities						
Transfers In	7	311	24	743	1	1,086
Transfers Out	(112)	-	(50)	(500)	-	(662)
Net Cash Provided by (Used for) Noncapital Financing Activities	(105)	311	(26)	243	1	424
Cash Flows from Capital & Related Financing Activities						
Acquisition and Construction of Capital Assets	(5,698)	(27)	-	(216)	-	(5,941)
Principal Paid on Bond Maturities	(121)	(222)	(664)	(932)	-	(1,939)
Issuance of Revenue Bonds and Notes	-	-	-	-	-	-
Interest Expense and Fiscal Charges	(44)	(316)	(674)	(1,587)	-	(2,621)
Proceeds from Sale of Capital Assets	-	-	-	1,203	-	1,203
Net Cash Provided by (Used for) Capital and Related Financing Activities	(5,863)	(565)	(1,338)	(1,532)	-	(9,298)
Cash Flows from Investing Activities						
(Purchase) of Investment Securities	(285)	(75,622)	-	(1,216)	-	(77,123)
Sale and Maturities of Investment Securities	-	73,878	-	1,213	-	75,091
Investment Earnings and Dividends on Investments	152	104	-	586	-	842
Net Cash Provided by (Used for) Investing Activities	(133)	(1,640)	-	583	-	(1,190)
Net Increase (Decrease) in Cash & Cash Equivalents	5,482	-	-	646	11	6,139
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	387	-	-	209	420	1,016
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ 5,869	\$ -	\$ -	\$ 855	\$ 431	\$ 7,155

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2002
 (Amounts in Thousand)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Non-Major Enterprise
Cash Flows from Operating Activity:						
Operating Income (Loss)	\$ 4,154	\$ (115)	\$ 724	\$ 848	\$ 12	\$ 5,623
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization	22	381	593	220	-	1,216
Other Revenues (Expenses)	1,585	-	(3)	(1,195)	-	387
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	9	(21)	-	1,380	(2)	1,366
(Increase) Decrease in Prepaid Expenses	0	85	-	(4)	(7)	74
(Increase) Decrease in Interfund Receivable	3,610	-	-	311	-	3,921
(Increase) Decrease in Due from Other Governments	(13)	-	-	-	-	(13)
(Increase) Decrease in Deferred Debt Issuance Costs	0	-	-	-	-	-
(Increase) Decrease in Inventory of Supplies	0	-	-	-	-	-
(Increase) Decrease in Accounts Payable	356	46	-	36	7	445
(Increase) Decrease in Escrow	0	-	(4)	-	-	(4)
(Increase) Decrease in Retainage	175	-	-	-	-	175
(Increase) Decrease in Interfund Payable	1,685	1,518	54	(244)	-	3,013
(Increase) Decrease in Other Current Liabilities	0	-	-	-	-	-
Total Adjustments	7,429	2,009	640	504	(2)	10,580
Net Cash Provided by (Used for) Operating Activities	\$ 11,583	\$ 1,894	\$ 1,364	\$ 1,352	\$ 10	\$ 16,203

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**CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
DECEMBER 31, 2002**

Municipal Garage - To account for the costs of a maintenance facility for automotive equipment used by various City departments. The actual costs of labor and material utilized are reimbursed to this Fund by the user departments.

Capital Replacement - To account for interdepartmental charges assessed for the improvement and replacement of the City's capital equipment.

Storeroom and Printshop - To account for small supplies consumed by and printing services provided to various City departments. The actual costs of supplies requisitioned and labor and materials utilized are reimbursed to this Fund by the user departments.

Data Processing - To account for the costs of data processing services provided to various City departments. The actual costs of materials and services are reimbursed to this Fund by the user departments.

Risk Management - to account for the City's insurance program related to property and liability loss exposure. The payment of self-insured losses, insurance in excess of retention levels and related loss financing expenditures are accounted for in this fund.

Workers' Compensation - To account for the City's Worker's Compensation Program under the State of Ohio's Retrospective Rating Plan. The payment of premiums, assessments and claims to the State Bureau of Worker's Compensation, and their allocation to the responsible funds are accounted for in this fund.

City of Toledo, Ohio
Internal Service Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
	-----	-----	-----	-----
Assets				
Current Assets				
Equity in Pooled Cash	\$ -	\$ 4,662	\$ -	\$ 483
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	-	-	-	-
Interfund Receivable	-	-	-	-
Inventory of Supplies	677	-	40	-
	-----	-----	-----	-----
Total Current Assets	677	4,662	40	483
	-----	-----	-----	-----
Property, Plant and Equipment				
Land	350	-	-	-
Buildings	1,111	-	-	-
Improvements	172	161	-	1
Machinery and Equipment	52,393	2,143	61	296
Furniture and Fixtures	11	19	4	64
Less: Accumulated Depreciation	(42,213)	(749)	(63)	(361)
	-----	-----	-----	-----
Net Property, Plant and Equipment	11,824	1,574	2	-
	-----	-----	-----	-----
Total Assets	\$ 12,501	\$ 6,236	\$ 42	\$ 483
	=====	=====	=====	=====
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable	\$ 500	\$ 34	\$ 33	\$ 125
Retainages	-	-	-	-
Interfund Payable	-	-	115	-
Other Current Liabilities	699	-	646	-
	-----	-----	-----	-----
Total Current Liabilities	1,199	34	794	125
	-----	-----	-----	-----
Debt:				
Notes Payable	-	5	-	-
General Obligation Bonds Payable	-	-	-	-
	-----	-----	-----	-----
Total Long-Term Liabilities	-	5	-	-
	-----	-----	-----	-----
Total Liabilities	1,199	39	794	125
	-----	-----	-----	-----
Net Assets				
Invested in Capital Assets net of Related Debt	11,824	1,569	2	-
Reserved for Replacement	-	2,000	-	-
Unreserved	(522)	2,628	(754)	358
	-----	-----	-----	-----
Total Net Assets	11,302	6,197	(752)	358
	=====	=====	=====	=====

City of Toledo, Ohio
Internal Service Funds
Combining Balance Sheet
December 31, 2002
(Amounts in Thousands)
(Continued)

	Risk Management	Workers' Compensation	Total
	-----	-----	-----
Assets			
Current Assets			
Equity in Pooled Cash	\$ 5,433	\$ 14,520	\$ 25,098
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1	-	1
Interfund Receivable	-	-	-
Inventory of Supplies	-	-	717
Total Current Assets	5,434	14,520	25,816
Property, Plant and Equipment			
Land	-	-	350
Buildings	-	-	1,111
Improvements	-	1	335
Machinery and Equipment	18	51	54,962
Furniture and Fixtures	1	-	99
Less: Accumulated Depreciation	(8)	(13)	(43,407)
Net Property, Plant and Equipment	11	39	13,450
Total Assets	\$ 5,445	\$ 14,559	\$ 39,266
Liabilities and Fund Equity			
Current Liabilities:			
Accounts Payable	\$ 49	\$ 9	\$ 750
Retainages	-	-	-
Interfund Payable	-	-	115
Other Current Liabilities	1,194	11,616	14,155
Total Current Liabilities	1,243	11,625	15,020
Debt:			
Notes Payable	-	-	5
General Obligation Bonds Payable	-	-	-
Total Long-Term Liabilities	-	-	5
Total Liabilities	1,243	11,625	15,025
Net Assets			
Invested in Capital Assets net of Related Debt	11	39	13,445
Reserved for Replacement	-	-	2,000
Unreserved	4,191	2,895	8,796
Total Net Assets	4,202	2,934	24,241

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Retained
Earnings (Deficit)
For the Year Ended December 31, 2002
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
Operating Revenues:				
Charges for Services	\$ 8,226	\$ 1,501	\$ 483	\$ 1,767
Other Revenue	117	-	-	-
Total Operating Revenues	8,343	1,501	483	1,767
Operating Expenses:				
Personal Services	3,920	-	40	929
Contractual Services	1,035	-	51	758
Materials and Supplies	3,463	-	409	79
Utilities	24	-	1	61
Depreciation and Amortization	2,576	155	-	-
Total Operating Expenses	11,018	155	501	1,827
Operating Income (Loss)	(2,675)	1,346	(18)	(60)
Nonoperating Revenues (Expenses):				
Interest Expense and Fiscal Charges	-	-	-	-
Other Revenue (Expenses)	253	-	-	-
Total Nonoperating Revenues (Expenses)	253	-	-	-
Income (Loss) before Operating Transfers	(2,422)	1,346	(18)	(60)
Operating Transfers In	2,342	-	7	105
Operating Transfers (Out)	-	(693)	-	-
Total Operating Transfers In (Out)	2,342	(693)	7	105
Net Income (Loss)	(80)	653	(11)	45
Retained Earnings (Deficit) at Beginning of Year	11,382	5,544	(741)	313
Retained Earnings (Deficit) at End of Year	\$ 11,302	\$ 6,197	\$ (752)	\$ 358

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Retained
Earnings (Deficit)
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	Risk Management	Workers' Compensation	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$ 873	\$ 5,742	\$ 18,592
Other Revenue	67	1,155	1,339
Total Operating Revenues	940	6,897	19,931
Operating Expenses:			
Personal Services	95	260	5,244
Contractual Services	1,418	3,602	6,864
Materials and Supplies	-	4	3,955
Utilities	-	-	86
Depreciation and Amortization	2	5	2,738
Total Operating Expenses	1,515	3,871	18,887
Operating Income (Loss)	(575)	3,026	1,044
Nonoperating Revenues (Expenses):			
Interest Expense and Fiscal Charges	-	-	-
Other Revenue (Expenses)	-	-	253
Total Nonoperating Revenues (Expenses)	-	-	253
Income (Loss) before Operating Transfers	(575)	3,026	1,297
Operating Transfers In	10	24	2,488
Operating Transfers (Out)	-	(13,519)	(14,212)
Total Operating Transfers In (Out)	10	(13,495)	(11,724)
Net Income (Loss)	(565)	(10,469)	(10,427)
Retained Earnings (Deficit) at Beginning of Year	4,767	13,403	34,668
Retained Earnings (Deficit) at End of Year	\$ 4,202	\$ 2,934	\$ 24,241

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2002
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Receipts from Customers	\$ 8,277	\$ 1,535	\$ 483	\$ 1,767	\$ 873	\$ 5,742	\$ 18,677
Payments to Suppliers	(5,028)	-	(450)	(819)	(1,235)	(1,407)	(8,939)
Payments to Employees	(3,920)	-	(40)	(929)	(95)	(260)	(5,244)
Other Receipts	117	-	-	-	67	1,155	1,339
Net Cash Provided by (Used for) Operating Activities	(554)	1,535	(7)	19	(390)	5,230	5,833
Cash Flow from Noncapital Financing Activities:							
Transfers In	2,342	-	7	105	10	24	2,488
Transfers Out	-	(693)	-	-	-	(13,519)	(14,212)
Net Cash Provided by (Used for) Noncapital Financing Activities	2,342	(693)	7	105	10	(13,495)	(11,724)
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(2,042)	(2)	-	-	-	-	(2,044)
Principal Paid on Bond Maturities	-	(2)	-	-	-	-	(2)
Issuance of Revenue Bonds and Notes	-	-	-	-	-	-	-
Interest Expense and Fiscal Charges	-	-	-	-	-	-	-
Proceeds on Sale of Fixed Assets	254	-	-	-	-	-	254
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,788)	(4)	-	-	-	-	(1,792)
Net Increase (Decrease) in Cash	-	838	-	124	(380)	(8,265)	(7,683)
Cash and Cash Equivalents at Beginning of Year	-	3,824	-	359	5,813	22,785	32,781
Cash and Cash Equivalents at End of Year	\$ -	\$ 4,662	\$ -	\$ 483	\$ 5,433	\$ 14,520	\$ 25,098

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2002
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:							
Operating Income (Loss)	\$ (2,675)	\$ 1,346	\$ (18)	\$ (60)	\$ (575)	\$ 3,026	\$ 1,044
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:							
Depreciation and Amortization	2,576	155	-	-	2	5	2,738
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	51	-	-	-	-	-	51
(Increase) Decrease in Interfund Receivable	-	-	-	-	-	-	-
(Increase) Decrease in Inventory	48	-	-	-	-	-	48
Increase (Decrease) in Accounts Payable	197	34	(23)	79	14	(1)	300
Increase (Decrease) in Interfund Payable	(751)	-	45	-	-	-	(706)
Increase (Decrease) in Other Current Liabilities	-	-	(11)	-	169	2,200	2,358
Total Adjustments	2,121	189	11	79	185	2,204	4,789
Net Cash Provided by (Used for) Operating Activities:	\$ (554)	\$ 1,535	\$ (7)	\$ 19	\$ (390)	\$ 5,230	\$ 5,833

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CITY OF TOLEDO, OHIO
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2002

FIDUCIARY FUNDS

General Agency – To account for various licenses, fees and taxes, such as restaurant licenses, that the City collects as an agent for the State of Ohio.

Municipal Court – To account for bonds and other monies deposited with the Court pending final disposition of the various cases. While the records of the Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement-14.

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City of Toledo, Ohio
Agency Funds
Combining Balance Sheet
For the Year Ended December 31, 2002
(Amounts in Thousands)

	<u>General Agency</u>	<u>Municipal Court</u>	<u>Total</u>
Assets			
Equity in Pooled Cash	\$ 756	\$ ---	\$ 756
Investments at Cost	---	931	931
Receivables (Net of Allowance for Uncollectible Accounts:			
Accounts	---	---	---
Notes	---	---	---
Interfund Receivable	---	---	---
Other Prepaid Expenditure	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 756</u>	<u>\$ 931</u>	<u>\$ 1,687</u>
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 41	\$ ---	\$ 41
Escrow	---	931	931
Interfund Payable	---	---	---
Due to Other Governments	---	---	---
Other Current Liabilities	715	---	715
Accrued Compensated Absences	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 756</u>	<u>\$ 931</u>	<u>\$ 1,687</u>
Net Assets:	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	GENERAL AGENCY FUND			
	Balance			Balance
	<u>Jan 1, 2002</u>	Additions	Deductions	<u>Dec 31, 2002</u>
Assets				
Equity in Pooled Cash	\$ 607	\$ 681	\$ 532	\$ 756
Investments	---	---	---	---
Prepaid Expenses	---	---	---	---
Interfund Receivables	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 607</u>	<u>\$ 681</u>	<u>\$ 532</u>	<u>\$ 756</u>
Liabilities				
Accounts Payable	\$ 8	\$ 525	\$ 492	\$ 41
Escrow	---	---	---	---
Interfund Payables	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	599	718	602	715
Accrued Compensated Absences	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 607</u>	<u>\$ 1,243</u>	<u>\$ 1,094</u>	<u>\$ 756</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	MUNICIPAL COURT FUND			
	Balance			Balance
	<u>Jan 1, 2002</u>	Additions	Deductions	<u>Dec 31, 2002</u>
Assets				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ ---
Investments	718	213	---	931
Prepaid Expenses	---	---	---	---
Interfund Receivables	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 718</u>	<u>\$ 213</u>	<u>\$ ---</u>	<u>\$ 931</u>
Liabilities				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Escrow	718	213	---	931
Interfund Payables	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	---	---	---	---
Accrued Compensated Absences	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 718</u>	<u>\$ 213</u>	<u>\$ ---</u>	<u>\$ 931</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2002
(Amounts in Thousands)
(Continued)

	TOTAL – ALL AGENCY FUNDS			
	Balance Jan 1, 2002	Additions	Deductions	Balance Dec 31, 2002
Assets				
Equity in Pooled Cash	\$ 607	\$ 681	\$ 532	\$ 756
Investments	718	213	---	931
Prepaid Expenses	---	---	---	---
Interfund Receivables	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 1,325</u>	<u>\$ 894</u>	<u>\$ 532</u>	<u>\$ 1,687</u>
Liabilities				
Accounts Payable	\$ 8	\$ 525	\$ 492	\$ 41
Escrow	718	213	---	931
Interfund Payables	---	---	---	---
Due to Other Governments	---	---	---	---
Other Current Liabilities	599	718	602	715
Accrued Compensated Absences	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 1,325</u>	<u>\$ 1,456</u>	<u>\$ 1,094</u>	<u>\$ 1,687</u>

**CITY OF TOLEDO, OHIO
CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
DECEMBER 31, 2002**

General Fixed Assets – To account for general fixed assets of the City, other than those accounted for in the Proprietary Fund.

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CITY OF TOLEDO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	\$ 24,781
Buildings and Construction in Progress	61,552
Improvements	49,250
Machinery and Equipment	38,805
Furniture and Fixtures	6,136
Infrastructure	<u>477,147</u>
 Total General Fixed Assets	 \$ 657,671
Less: Accumulated Depreciation	(272,090)
 Net General Fixed Assets	 <u>\$ 385,581</u>

INVESTMENT IN GENERAL FIXED ASSETS:

Acquired Before December 31, 1982	\$ 52,619
General Fund	39,081
Special Revenue Funds	10,193
Capital Projects Funds	<u>555,778</u>
 Total Investment in General Fixed Assets	 \$657,671
Less: Accumulated Depreciation	(272,090)
 Net Investment in General Fixed Assets	 <u>\$ 385,581</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

FUNCTION AND ACTIVITY	LAND	BUILDINGS AND CONSTRUCTION IN PROGRESS	IMPROVEMENTS
General Government:			
City Council	\$ --	\$ --	\$ 34
Mayor	--	--	--
Auditor.....	--	--	--
Planning Commission.....	--	--	--
Health	472	1,346	--
Municipal Court Judges.....	105	5,907	114
Clerk of Courts.....	--	--	54
Support Services	--	--	1
Computing Services.....	--	79	3
Finance.....	--	--	--
Treasury.....	--	--	--
Taxation.....	--	--	2
Accounts.....	--	--	--
Community Development	386	2,876	479
Inspection.....	--	--	14
Economic Development.....	--	388	1,062
Human Resources.....	--	--	29
Law.....	--	--	--
Total General Government	<u>963</u>	<u>10,596</u>	<u>1,792</u>
Public Service:			
Public Service.....	--	--	103
Public Service Administration	--	--	--
Engineering & Construction	--	16	431
Streets, Bridges & Harbor	3,218	2,016	285
Waste Disposal.....	1,919	189	43
Maintenance of Public Buildings....	181	6,152	19,819
Environmental Services	<u>--</u>	<u>165</u>	<u>6</u>
Total Public Service.....	<u>5,318</u>	<u>8,538</u>	<u>20,687</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)
(CONTINUED)

MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
\$ 108	\$ 41	\$ 183
44	32	76
14	22	36
172	91	263
---	---	1,818
1,984	632	8,742
363	259	676
922	46	969
1,399	10	1,491
28	32	60
74	24	98
50	33	85
193	41	234
903	213	4,857
115	58	187
142	23	1,615
989	102	1,120
<u>66</u>	<u>88</u>	<u>154</u>
7,566	1,747	22,664
173	38	314
9	3	12
559	257	1,263
967	108	6,594
6,438	35	8,624
2,232	285	28,669
<u>302</u>	<u>47</u>	<u>520</u>
10,680	<u>773</u>	45,996

CITY OF TOLEDO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	LAND	BUILDINGS AND CONSTRUCTION IN PROGRESS	IMPROVEMENTS
Public Safety:			
Police	\$ 209	\$ 6,395	\$ 1,424
Fire	738	6,629	2,050
Traffic Engineering	<u> --</u>	<u> --</u>	<u>3,383</u>
Total Public Safety	<u> 947</u>	<u>13,024</u>	<u>6,857</u>
Natural Resources:			
Administration	--	--	56
Parks and Recreation	12,594	4,000	6,674
Forestry	<u> 298</u>	<u> 289</u>	<u>2,971</u>
Total Natural Resources	<u>12,892</u>	<u>4,289</u>	<u>9,701</u>
Other:			
Miscellaneous	4,661	26,199	10,213
Construction in Progress	--	--	--
Total General Fixed Assets	24,781	61,552	49,250
Less: Accumulated Depreciation...	<u> --</u>	<u>(39,226)</u>	<u>(20,977)</u>
Net General Fixed Assets	<u>\$24,781</u>	<u>\$ 22,326</u>	<u>\$28,273</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)
(CONTINUED)

MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	INFRASTRUCTURE	TOTAL
\$ 5,801	\$ 960	\$ ---	\$ 14,789
5,499	241	---	15,157
<u>4,007</u>	<u>382</u>	<u>---</u>	<u>7,772</u>
15,307	1,583	---	37,718
43	124	---	223
1,079	50	---	24,397
<u>2,308</u>	<u>36</u>	<u>---</u>	<u>5,902</u>
3,430	210	---	30,522
154	1,823	---	43,050
--	--	---	--
38,805	6,136	477,147	657,671
(17,208)	(4,459)	(190,220)	(272,090)
<u>\$ 21,597</u>	<u>\$ 1,677</u>	<u>\$286,927</u>	<u>\$ 385,581</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
General Government:				
City Council	\$ 183	\$ --	\$ --	\$ 183
Office of the Mayor	76	--	--	76
Auditor.....	35	1	--	36
Planning Commission.....	248	14	--	262
Health	1,818	--	--	1,818
Municipal Court Judges.....	8,491	207	--	8,698
Clerk of Municipal Courts	660	22	--	682
Support Services	1,653	258	--	1,911
Management Services.....	546	--	--	546
Finance.....	59	--	--	59
Treasury.....	95	3	--	98
Taxation.....	83	2	--	85
Accounts.....	227	6	--	233
Community Development	4,781	76	--	4,857
Inspection.....	182	6	--	188
Economic Development.....	1,564	35	--	1,599
Human Resources.....	1,120	--	--	1,120
Law.....	154	--	--	154
Total General Government	<u>21,975</u>	<u>630</u>	<u>--</u>	<u>22,605</u>
Public Service:				
Public Service.....	292	448	--	740
Public Service Administration	12	--	--	12
Engineering & Construction	751	86	--	837
Streets, Bridges & Harbor	6,533	50	--	6,583
Waste Disposal.....	3,620	5,003	--	8,623
Maintenance of Public Buildings	26,603	1,043	--	27,646
Environmental Services	519	1	--	520
Total Public Service.....	<u>38,330</u>	<u>6,631</u>	<u>--</u>	<u>44,961</u>

CITY OF TOLEDO, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)
(CONTINUED)

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSEERS	BALANCE AT END OF YEAR
Public Safety				
Police	\$ 14,187	\$ 601	\$ --	\$ 14,788
Fire.....	14,978	180	--	15,158
Traffic Engineering.....	<u>7,772</u>	<u>--</u>	<u>--</u>	<u>7,772</u>
Total Public Safety	<u>36,937</u>	<u>781</u>	<u>--</u>	<u>37,718</u>
Natural Resources:				
Administration.....	220	3	--	223
Parks and Recreation.....	24,395	2	--	24,397
Forestry.....	<u>5,891</u>	<u>11</u>	<u>--</u>	<u>5,902</u>
Total Natural Resources	<u>30,506</u>	<u>16</u>	<u>--</u>	<u>30,522</u>
Other:				
Miscellaneous.....	44,718	--	--	44,718
Infrastructure.....	452,290	24,857	--	477,147
Total General Fixed Assets.....	624,756	32,915	--	657,671
Less Accumulated Depreciation...	<u>(245,347)</u>	<u>(26,743)</u>	<u>--</u>	<u>(272,090)</u>
Net General Fixed Assets.....	<u>\$ 379,409</u>	<u>\$ 6,172</u>	<u>\$ --</u>	<u>\$ 385,581</u>

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**STATISTICAL
SECTION**

**TABLE 1
CITY OF TOLEDO, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION¹
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)**

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SERVICE AND UTILITIES	PUBLIC SAFETY	COMMUNITY ENVIRONMENT	HEALTH
1993	\$17,341	\$25,751	\$100,612	\$12,294	\$ 16,771
1994	38,296	28,675	101,517	12,820	16,954
1995	18,644	27,927	110,537	15,717	17,783
1996	18,816	28,127	116,536	18,657	18,561
1997	17,699	27,804	120,183	20,341	18,343
1998	18,256	27,508	125,038	19,523	18,493
1999	18,246	29,705	129,765	18,841	19,139
2000	18,948	29,743	132,542	18,157	14,300
2001	21,188	29,142	137,417	21,120	16,850
2002	20,823	28,831	144,112	22,329	16,030

**TABLE 2
CITY OF TOLEDO, OHIO
GENERAL REVENUES BY SOURCE¹
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)**

FISCAL YEAR	INCOME TAXES	PROPERTY TAXES AND SPECIAL ASSESSMENTS	LICENSES AND PERMITS	GRANTS AND SUBSIDIES
1993	\$115,755	\$31,608	\$ 2,961	\$29,935
1994	124,975	31,916	2,833	26,815
1995	129,789	32,850	3,004	31,763
1996	138,487	34,590	2,310	33,811
1997	142,701	33,953	2,509	39,232
1998	144,505	34,379	2,737	40,634
1999	150,170	33,530	2,841	54,191
2000	153,830	31,069	2,211	41,138
2001	150,911	35,814	2,172	34,338
2002	153,965	34,784	1,967	40,648

Source: City of Toledo
Finance Department

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

PARKS RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
\$4,225	\$16,574	\$17,659	\$ 211,227
4,749	31,304	17,616	251,931
5,357	28,693	21,869	246,527
4,741	44,679	22,840	272,957
4,696	41,884	27,392	278,342
4,942	90,007	24,819	328,586
4,401	43,202	24,935	288,234
4,924	41,532	25,588	285,734
5,123	43,609	26,684	301,133
5,009	34,574	29,442	301,150

SHARED REVENUES	CHARGES FOR SERVICES	INVESTMENT EARNINGS	FINES AND FORFEITURES	ALL OTHER REVENUE	TOTAL
\$15,125	\$ 9,941	\$2,729	\$3,372	\$1,871	\$213,297
18,063	9,935	3,570	3,408	2,326	223,841
19,140	11,000	6,601	4,392	2,239	240,778
20,210	11,225	6,954	4,239	1,242	253,068
20,668	11,180	7,125	4,442	1,562	263,372
22,274	11,768	7,279	5,071	7,364	276,011
22,795	12,179	6,642	4,616	2,284	289,248
23,308	12,349	8,383	4,103	765	277,156
23,398	12,227	7,292	3,841	1,009	271,002
24,235	13,646	4,654	3,636	2,953	280,488

TABLE 3(a)
CITY OF TOLEDO, OHIO
REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
1993	\$11,774	\$11,283	95.8%	331
1994	11,848	11,215	94.7%	245
1995	12,332	11,637	94.4%	562
1996	12,236	11,591	94.7%	471
1997	12,084	11,488	95.1%	432
1998	12,505	12,245	97.9%	510
1999	12,710	12,191	95.9%	441
2000	12,205	12,130	99.4%	514
2001	14,934	14,462	96.8%	398
2002	15,659	14,886	95.1%	664

Source: Lucas County Auditor

TABLE 3(b)
CITY OF TOLEDO, OHIO
INCOME TAX REVENUES
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	TAX REVENUES	TAX RATE
1993	\$115,755	2¼%
1994	124,975	2¼%
1995	129,789	2¼%
1996	138,487	2¼%
1997	142,701	2¼%
1998	144,505	2¼%
1999	150,170	2¼%
2000	153,830	2¼%
2001	150,911	2¼%
2002	153,965	2¼%

Source: City of Toledo
Income Tax Department

AMOUNT OF TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	AMOUNT OF OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
\$11,614	98.7%	\$1,630	13.8%
11,460	98.6%	1,203	10.2%
12,199	96.7%	1,787	14.5%
12,062	98.6%	1,651	13.6%
11,920	98.6%	1,204	9.9%
12,755	102.0%	1,321	10.6%
12,632	99.4%	1,280	10.1%
12,644	103.6%	1,117	9.2%
14,861	99.5%	1,313	9.1%
15,550	99.3%	1,325	8.5%

TABLE 4
CITY OF TOLEDO, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	REAL PROPERTY		PUBLIC UTILITY (3)	
	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1994	\$2,388,248	\$6,823,565	\$316,126	\$903,217
1995	2,497,627	7,136,078	316,878	905,365
1996	2,481,458	7,089,880	299,437	855,534
1997	2,491,193	7,117,694	274,504	784,297
1998	2,669,541	7,627,260	275,606	787,446
1999	2,673,597	7,638,849	268,638	767,537
2000	2,689,930	7,685,514	252,326	720,931
2001	3,281,956	9,375,589	251,453	1,005,812
2002	3,275,750	9,359,286	185,625	742,500
2003	3,280,308	9,372,309	199,143	796,572

(1) The assessed valuation is fixed at 35% of true value and is determined pursuant to the rules of the Ohio Commissioner of Tax Equalization. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value.

(2) The inventory rates have been reduced annually from 41% in 1979 to 25% in 1994.

(3) Includes public utility personal property. Assessed value determined by the State of Ohio.

Source: Lucas County Auditor

TABLE 5
CITY OF TOLEDO, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$1,000 OF ASSESSED VALUATION)

TAX COLLECTION YEAR	CITY OF TOLEDO				TOTAL TOLEDO RATE	TRANSIT AUTHORITY
	GENERAL FUND	POLICE PENSION FUND	FIRE PENSION FUND			
1993	3.80	.30	.30		4.40	2.50
1994	3.80	.30	.30		4.40	2.50
1995	3.80	.30	.30		4.40	2.50
1996	3.80	.30	.30		4.40	2.50
1997	3.80	.30	.30		4.40	2.50
1998	3.80	.30	.30		4.40	2.50
1999	3.80	.30	.30		4.40	2.50
2000	3.80	.30	.30		4.40	2.50
2001	3.80	.30	.30		4.40	2.50
2002	3.80	.30	.30		4.40	2.50

Source: Lucas County Auditor

PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
ASSESSED VALUE (2)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
\$458,042	\$1,832,168	\$3,162,416	\$9,558,950	33.1%
463,468	1,853,871	3,277,973	9,895,314	33.1%
476,603	1,906,412	3,257,498	9,851,826	33.1%
487,942	1,951,768	3,253,639	9,853,759	33.1%
505,735	2,022,940	3,450,882	10,437,646	33.0%
509,003	2,036,012	3,451,238	10,442,398	33.1%
529,770	2,119,080	3,472,027	10,525,525	33.0%
551,232	2,204,928	4,084,141	12,586,329	32.4%
564,431	2,257,724	4,025,806	12,359,510	32.6%
530,490	2,210,375	4,009,941	12,379,256	32.4%

PORT AUTHORITY	LUCAS COUNTY	TOLEDO CITY SCHOOL DISTRICT	METRO PARK DISTRICT	TOTAL
.40	15.85	57.80	1.00	81.95
.40	15.85	57.70	1.00	81.85
.40	15.80	57.80	1.00	81.90
.40	15.95	57.80	1.00	82.05
.40	15.95	57.80	1.00	82.05
.40	15.45	57.80	1.40	81.95
.40	15.55	57.50	1.40	82.35
.40	16.00	63.00	1.40	87.70
.40	15.65	63.00	1.40	87.35
.40	15.65	63.50	1.70	88.15

TABLE 6
CITY OF TOLEDO, OHIO
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT CURRENT ASSESSMENTS COLLECTED TO CURRENT ASSESSMENTS DUE	DELINQUENT ASSESSMENT COLLECTIONS
1993	\$18,356	\$16,360	89.1%	\$1,650
1994	18,351	16,438	89.6%	1,086
1995	18,403	16,665	90.6%	1,901
1996	20,464	18,505	90.4%	1,982
1997	19,417	17,471	90.0%	2,326
1998	19,497	17,632	90.4%	2,072
1999	18,564	16,842	90.7%	1,955
2000	17,980	16,265	90.5%	1,800
2001	21,179	18,938	89.4%	1,663
2002	18,683	16,620	89.1%	2,034

Source: Lucas County Auditor

TABLE 7
CITY OF TOLEDO, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS

FISCAL YEAR	POPULATION⁽¹⁾	ASSESSED VALUE⁽²⁾	GROSS GENERAL BONDED DEBT⁽²⁾	LESS BALANCE IN DEBT SERVICE FUND⁽²⁾ & ⁽³⁾
1993	332,943	\$3,162,416	\$ 62,550	312
1994	332,943	3,277,973	74,450	373
1995	332,943	3,257,498	91,079	658
1996	332,943	3,253,639	101,555	666
1997	332,943	3,450,882	106,213	864
1998	332,943	3,451,238	131,859	899
1999	332,943	3,472,027	127,636	1,023
2000	313,619	4,084,141	126,046	1,156
2001	313,619	4,025,806	123,810	579
2002	313,619	4,009,940	127,805	215

(1) Source: U.S. Bureau of the Census

(2) Amounts shown in thousands of dollars. Source: Lucas County Auditor.

(3) The City has paid its general bonded debt service for the tax years shown from current income tax revenues. The amount required is transferred to the debt service funds from the capital improvement fund.

TOTAL ASSESSMENT COLLECTIONS	PERCENT TOTAL ASSESSMENT COLLECTIONS TO CURRENT ASSESSMENTS DUE	OUTSTANDING DELINQUENT ASSESSMENTS
\$18,010	98.1%	\$ 9,442
17,524	95.5%	9,927
18,566	100.9%	10,413
20,487	100.1%	7,854
19,797	102.0%	7,459
19,704	101.1%	5,868
18,798	101.3%	5,842
18,065	100.5%	4,651
20,601	97.3%	5,223
18,654	99.8%	6,143

NET GENERAL BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 62,238	2.0%	\$ 186.93
74,077	2.3%	222.50
90,421	2.8%	271.58
100,389	3.1%	301.52
105,349	3.0%	312.51
130,960	3.8%	393.34
126,613	3.7%	380.28
124,890	3.1%	398.22
123,231	3.1%	392.93
127,590	3.2%	406.83

TABLE 8 (a)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5½% LIMIT)
AT DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value		<u>\$4,009,940</u>
Unvoted Debt Limit – 5½%		
Of Assessed Valuation		\$ 220,547
Total Unvoted Debt Outstanding		
At 12/31/01	\$350,099	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds	\$ 510	
Special Assessment Services		
Notes	31,900	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans	126,958	
Capital Projects & Other Loans	2,088	
Pension Bonds.....	13,200	
Tax Increment Bonds & Notes	147	
Other Bonds & Notes.....	<u>47,322</u>	
Total	<u>222,125</u>	
Net Subject to 5½% Limit		<u>127,974⁽¹⁾</u>
Total Legal Unvoted Debt Margin.....		<u>\$ 92,573</u>
⁽¹⁾ General Obligation Bonds –		
City of Toledo	\$ 95,654	
Enterprise	26,189	
Internal Service	<u>5</u>	
	121,848	
General Obligation Notes-City of Toledo	<u>6,125</u>	
Total Bonds and Notes.....	<u>\$127,973</u>	

Source: City of Toledo Finance Department

TABLE 8 (b)
CITY OF TOLEDO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
VOTED AND UNVOTED DEBT LIMIT (10½% LIMIT)
AT DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

Total Assessed Property Value.....		<u>\$4,009,940</u>
Voted & Unvoted Debt Limit – 10½%		
Of Assessed Valuation		\$ 421,044
Total Unvoted Debt Outstanding		
At 12/31/01.....	\$350,099	
Less Exempted Debt:		
Special Assessment Improvement		
Bonds.....	\$ 510	
Special Assessment Services		
Notes	31,900	
Utility Revenue Bonds, O.W.D.A.		
Loans and Other Loans	126,958	
Capital Projects & Other Loans.....	2,088	
Pension Bonds	13,200	
Tax Increment Bonds & Notes	147	
Other Bonds & Notes.....	<u>47,322</u>	
Total.....	<u>222,125</u>	
Net Subject to 10½% Limit.....		<u>127,974</u>
Total Legal Voted and Unvoted		
Debt Margin.....		<u>\$ 293,070</u>

Source: City of Toledo Finance Department

**TABLE 9
CITY OF TOLEDO, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AT DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)**

POLITICAL SUBDIVISION	AMOUNT OF DEBT	PERCENT APPLICABLE TO CITY	CITY'S SHARE
Direct Debt:			
City of Toledo	\$127,805	100.0%	\$127,805
Subdivision Overlapping Debt:			
Lucas County	41,965	51.1%	21,444
Toledo City School District	71,710	98.9%	70,921
Sylvania City School District.....	3,285	8.6%	283
Ottawa Hills Local School District	27	.5%	1
Springfield Local School District	1,368	12.0%	164
Sylvania Area Joint Recreation Dist...	380	8.5%	32
Washington Local School District.....	<u>1,980</u>	95.1%	<u>1,883</u>
Total Subdivision Overlapping Debt	<u>\$120,715</u>		<u>\$ 94,728</u>
Total Direct and Overlapping Debt.....	<u>\$248,520</u>		<u>\$222,533</u>

Source: Lucas County Auditor

TABLE 10
CITY OF TOLEDO, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES⁽¹⁾	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
1993	\$ 6,445	\$ 4,591	\$ 11,036	\$211,227	5.2%
1994	6,260	4,525	10,785	251,931	4.3%
1995	6,820	4,809	11,629	246,527	4.7%
1996	7,570	6,363	13,933	272,957	5.1%
1997	9,075	6,841	15,916	278,342	5.7%
1998	10,430	6,299	16,729	328,586	5.1%
1999	10,543	5,493	15,923	288,411	5.5%
2000	9,828	5,381	15,209	285,734	5.4%
2001	9,508	5,283	14,791	301,131	4.9%
2002	39,137	7,835	46,972	329,433	14.3%

⁽¹⁾Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: City of Toledo Finance Department

TABLE 11(a)
CITY OF TOLEDO, OHIO
WATER ENTERPRISE BOND COVERAGE⁽¹⁾
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES⁽²⁾	NET ANNUAL REVENUE AVAILABLE FOR DEBT SERVICE
1993	\$22,952	\$17,208	\$ 5,744
1994	23,404	17,696	5,708
1995	23,376	18,322	5,054
1996	24,560	19,384	5,176
1997	25,070	15,890	9,180
1998	27,315	17,134	10,181
1999	30,562	19,002	11,560
2000	32,829	16,962	15,867
2001	34,454	20,494	13,960
2002	35,115	21,744	13,371

(1) During 1994, Water Refunding Bonds in the amount of \$5,405 were issued with the proceeds being used to defease portions of the 1988 Water Bonds previously outstanding. The Water Refunding Bonds are secured by the revenues of the utility and a lien on the property of the utility and are payable solely out of the revenues of the utility after first paying the costs of operating and maintaining the utility including replacement and depreciation but exclusive of capital improvements.

(2) Includes all operating expenses except depreciation.

Source: City of Toledo
Finance Department
Utilities Department

TOTAL AVAILABLE FOR DEBT SERVICE	PRINCIPAL	DEBT SERVICE INTEREST	TOTAL	BOND COVERAGE
\$ 5,744	\$ 240	\$1,170	\$1,410	4.07
5,708	375	1,009	1,384	4.12
5,054	320	1,167	1,487	3.40
5,176	335	1,876	2,211	2.34
9,180	931	2,267	3,198	2.87
10,181	987	2,235	3,222	3.16
11,560	3,272	3,057	6,329	1.83
15,867	2,515	3,164	5,679	2.80
13,960	2,620	3,066	5,686	2.45
13,371	2,745	2,953	5,698	2.34

TABLE 11(b)
CITY OF TOLEDO, OHIO
SEWER ENTERPRISE BOND COVERAGE⁽¹⁾⁽³⁾
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES⁽²⁾	NET ANNUAL REVENUE AVAILABLE FOR DEBT SERVICE
1993	\$32,690	\$20,584	\$12,106
1994	33,190	21,722	11,468
1995	33,341	22,076	11,265
1996	32,552	21,659	10,893
1997	31,501	22,628	8,873
1998	32,819	22,550	10,269
1999	34,790	22,777	12,013
2000	36,279	22,134	14,145
2001	36,560	22,542	14,018
2002	35,703	24,970	10,733

(1) During 1994, Sewer Refunding Bonds in the amount of \$13,315 were issued with the proceeds being used to defease portions of the 1988 Sewer Refunding Bonds previously outstanding. The Sewer Refunding Bonds are secured by the revenues of the utility and a lien on the property of the utility and are payable solely out of the revenues of the utility after first paying the costs of operating and maintaining the utility including replacement and depreciation but exclusive of capital improvements.

(2) Includes all operating expenses except depreciation.

(3) For 1993 principal and interest amounts included payments to the Ohio Water Development Authority for project loans.

Source: City of Toledo
 Finance Department
 Utilities Department

TOTAL AVAILABLE FOR DEBT SERVICE	PRINCIPAL	DEBT SERVICE INTEREST	TOTAL	BOND COVERAGE
\$12,106	\$1,510 ⁽³⁾	\$3,025	\$4,535	2.67
11,468	900	2,077	2,977	3.85
11,265	725	2,451	3,176	3.55
10,893	755	2,437	3,192	3.41
8,873	1,341	2,716	4,057	2.19
10,269	1,372	2,719	4,091	2.51
12,013	2,732	2,965	5,697	2.11
14,145	2,232	2,475	4,707	3.00
14,018	2,693	2,002	4,695	3.00
10,733	2,824	1,894	4,718	2.29

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002
POPULATION**

YEAR	CITY	METROPOLITAN AREA (TOLEDO MSA)
1970	383,062	762,657
1980	354,635	618,800
1990	332,943	614,128
2000	313,619	618,203

AGE DISTRIBUTION – TOLEDO MSA

	MALE		FEMALE	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
Under 5 years	22,928	7.7%	18,874	6.0%
5 to 9 years	20,627	6.9%	26,172	8.2%
10 to 14 years	26,374	8.8%	21,696	6.8%
15 to 19 years	24,564	8.1%	22,835	7.2%
20 to 24 years	19,852	6.7%	21,681	6.8%
25 to 34 years	41,820	14.0%	44,925	14.1%
35 to 44 years	44,980	15.1%	45,814	14.3%
45 to 54 years	43,333	14.3%	49,650	15.5%
55 to 64 years	25,403	8.5%	25,120	7.8%
65 to 74 years	18,369	6.2%	23,438	7.4%
75 years and over	<u>10,983</u>	<u>3.7%</u>	<u>18,785</u>	<u>5.9%</u>
Total	<u>299,233</u>	<u>100.0%</u>	<u>318,990</u>	<u>100.0%</u>
Median Age	34.6		35.9	

**DISTRIBUTION OF HOUSEHOLD
INCOME – TOLEDO MSA**

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

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

**TABLE 12
CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002
(CONTINUED)**

DISTRIBUTION OF EMPLOYEES BY SECTOR

MANUFACTURING

Percentage of employment.....	17.2%
Manufacturing employment.....	56,500

Major Categories and Employees of Manufacturing Employment:

Clay and Glass Products	6,000
Primary Metal Industries.....	2,600
Fabricated Metal Products	6,200
Machinery	4,500
Transportation Equipment	14,900
Food Products	3,100
Rubber, Plastic and Misc. Products	4,700
Other	14,500

NON-MANUFACTURING

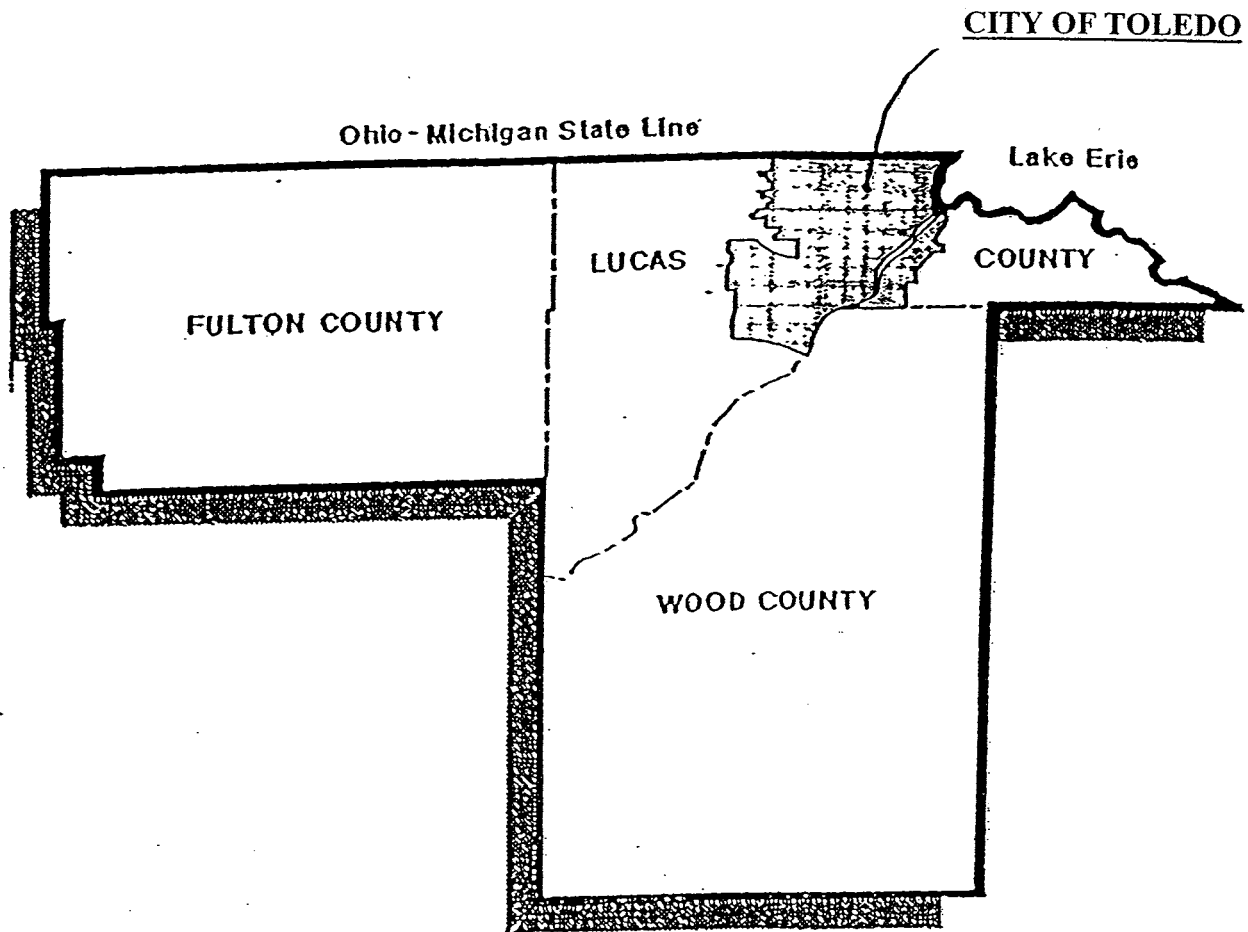
Percentage of employment.....	82.8%
Non-Manufacturing employment.....	271,800

Major Categories and Employees of Non-Manufacturing Employment:

Construction.....	15,800
Transportation and Public Utilities	16,100
Wholesale Trade	16,900
Retail Trade.....	64,800
Finance, Insurance, Real Estate	11,400
Services.....	96,100
Government.....	50,700

Source: Ohio Bureau of Employment Services (2001)

CITY OF TOLEDO, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2002
(CONTINUED)



Toledo Metropolitan Statistical Area (MSA)

- ♦ Population of 618,203
- ♦ Three county area
- ♦ Sixty-ninth largest metropolitan area in the U.S.
- ♦ Labor force of 340,600
- ♦ Diversified manufacturing
- ♦ “Glass Capital of the World”
- ♦ Largest international tonnage port on the Great Lakes

TABLE 13
CITY OF TOLEDO, OHIO
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS ACTIVITY
LAST TEN YEARS
(AMOUNTS IN THOUSANDS)

TAX COLLECTION YEAR	ASSESSED VALUE REAL AND PERSONAL PROPERTY⁽¹⁾	VALUATION OF BUILDING PERMITS ISSUED⁽²⁾	BANK DEPOSITS⁽³⁾
1993	\$3,196,025	\$77,998	\$5,508,260
1994	3,162,416	87,299	5,411,410
1995	3,277,973	79,246	5,552,727
1996	3,257,498	115,287	5,665,935
1997	3,253,639	100,628	5,846,597
1998	3,450,882	160,835	5,812,078
1999	3,472,027	207,353	5,638,157
2000	4,084,141	158,421	5,932,103
2001	4,025,806	227,243	6,279,970
2002	4,009,940	92,457	5,372,511

Source: (1) Lucas County Auditor
(2) City of Toledo Inspection Division
(3) Amounts represent Lucas County bank deposits, per F.D.I.C. Data Book

TABLE 14(a)
CITY OF TOLEDO, OHIO
TEN LARGEST PROPERTY TAXPAYERS
DECEMBER 31, 2002

Ten Largest Real Property and Public Utility Taxpayers

NAME	BUSINESS	VALUATION (AMOUNTS IN THOUSANDS)	PERCENTAGE OF TOTAL REAL PROPERTY TAXABLE VALUATION
Toledo Edison Co.	Utility	\$58,995	1.5%
Ameritech	Utility	49,502	1.2%
Owens-Illinois Company	Real Estate Holdings	19,335	0.5%
Columbia Gas of Ohio, Inc.	Utility	17,313	0.4%
A.E.R.C. Corp	Real Estate Holdings	14,284	0.4%
Westfield Shopping Town Mall	Retail Mall Owner-Lessor	13,225	0.4%
Toledo Hospital	Medical Office Building	9,666	0.2%
S.S.C. Company	Real Estate Company	9,560	0.2%
St. Vincent Mercy Medical Center	Medical Office Building	9,436	0.2%
General Motors Corporation/ GM Powertrain Division	Automotive Manufacturer	<u>8,535</u>	<u>0.2%</u>
		<u>\$209,851</u>	<u>5.2%</u>

Ten Largest Tangible Personal Property Taxpayers

NAME	BUSINESS	VALUATION (AMOUNTS IN THOUSANDS)	PERCENTAGE OF TOTAL REAL PROPERTY TAXABLE VALUATION
General Motors Corporation, Powertrain Division	Automotive Manufacturer	\$ 49,241	9.3%
DaimlerChrysler	Automotive Manufacturer	27,012	5.1%
General Mills, Inc.	Food Purchaser	21,062	4.0%
Blade Communications	Newspaper Publisher	13,244	2.5%
Amerisource Corp.	Pharmaceutical Supply Service	7,723	1.5%
Perstorp Polyols, Inc.	Chemical Manufacturing	7,099	1.3%
Libbey, Inc.	Glass Manufacturer	7,049	1.3%
New Mather Metals	Stabilizer and Torsion Bar Manufacturer	5,865	1.1%
Faurelia Exhaust Systems, Inc.	Automotive Part Supplier	5,675	1.0%
Textileleather	Fabric Processing	<u>5,127</u>	<u>1.0%</u>
		<u>\$ 149,097</u>	<u>28.1%</u>

Source: Lucas County Auditor

TABLE 14(b)
CITY OF TOLEDO, OHIO
TEN LARGEST MUNICIPAL INCOME TAXPAYERS
DECEMBER 31, 2002
(AMOUNTS IN THOUSANDS)

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

DaimlerChrysler
 General Motors Corporation, Powertrain Division
 Toledo Board of Education
 City of Toledo
 Toledo Hospital
 Lucas County
 St. Vincent Mercy Medical Center
 Medical College of Ohio Hospital
 University of Toledo
 Owens-Corning Fiberglas Corporation

YEAR	EMPLOYEE PAYROLL TAX
1993	\$29,947
1994	33,527
1995	35,898
1996	36,495
1997	38,849
1998	35,544
1999	39,498
2000	39,921
2001	39,452
2002	41,710

Source: City of Toledo
 Income Tax Division

**TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2002**

GENERAL

Date of Incorporation.....	January 7, 1837
Adoption of City Charter	1914
Form of Government.....	Strong Mayor
Council Members.....	Twelve
Area of the City of Toledo	84 square miles
Population 2000 Census.....	313,619
Bodies of Water	Lake Erie, Maumee River

TRANSPORTATION

AIR

Number of Airports.....	2
Number of Airlines	6
Daily Scheduled Flights.....	33
2002 Passenger Traffic	322,718
2002 Air Cargo (lbs).....	645,611,127

RAIL

Number of Railroad Systems.....	4
Miles of Track.....	1,200

LAND

Number of Trucking Firms.....	43
Interstate Bus Lines.....	11
TARTA – 2002 Passengers.....	4,609,819

WATER

Port Vessel Traffic.....	653
Cargo Tonnage.....	10,852,377

EDUCATION

University of Toledo Students	20,900
Community College Students	19,500
Medical College of Ohio at Toledo Students.....	1,006
Toledo City School District:	
Number of Schools	68
Number of Students	35,610

ENERGY

Electric Customers-Toledo Edison Company.....	316,000
Gas Customers-Columbia Gas of Ohio, Inc.	175,000

MEDICAL

Number of Hospitals.....	4
Number of Beds	1,641

**TABLE 15
CITY OF TOLEDO, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2002
(CONTINUED)**

COMMERCIAL ACTIVITY

Amount of Retail Sales	\$8,177,777
Number of Building Permits	6,461
Value of Permits	92,457

POLICE DIVISION

Number of Stations	3
Number of Substations.....	3
Number of Employees with Arrest Power	693
Number of Neighborhood Offices	7

FIRE DIVISION

Number of Stations	17
Number of Firefighters	526

WATER SYSTEM

Average Daily Consumption (Million Gallons Daily).....	81.8
Annual Pumpage (Million Gallons).....	23,932
Storage Capacity (Million Gallons).....	78
Plant Capacity (Million Gallons).....	150
Communities Served.....	13
Population Served	521,000
Miles of Waterlines.....	1,129
Metered Services.....	129,969

SEWER SYSTEM

Average Daily Demand (Million Gallons Daily).....	64
Annual Wastewater Flow (Million Gallons).....	28,834
Plant Capacity (Million Gallons Daily).....	102
Communities Served.....	7
Population Served	346,000
Miles of Sewer Lines	951
Metered Services.....	102,000

RECREATION

Number of City Parks	144
Acreage	2,368
Number of Metro Parks	9
Acreage	6,879
Public Golf Courses – City	4
Public Golf Courses – County	18
Public Pools	12
Ice Rinks	1

Source: Toledo Lucas County Public Library



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CITY OF TOLEDO

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2003**