



**Auditor of State  
Betty Montgomery**



**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

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**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR JUNE 30, 2004

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education:</i>		
<u>Nutrition Cluster:</u>		
Food Donation	N/A	10.550
School Breakfast Program	05PU-2004	10.553
National School Lunch Program	LLP4-2004	10.555
Child and Adult Care Food Program	CCMO-2004	10.558
<i>Total Nutrition Cluster</i>		
Total U.S. Department of Agriculture		
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Public Safety Partnership and Community Policing Grants		16.710
<i>Passed Through Ohio Criminal Justice Coordinating Council:</i>		
Byrne Formula Grant Program		16.579
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF LABOR</b>		
<i>Passed Through Lucas County Department of Jobs and Family Services:</i>		
WIA Youth Activities		17.259
Total U.S. Department of Labor		
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Direct Programs:</i>		
Federal Pell Grant Program	1346401449A3 1346401449A4	84.063
<i>Total Federal Pell Grant Program</i>		
Safe and Drug - Free Schools and Communities National Programs	DRS1-2002 T4S1-2004-P	84.184C 84.184C 84.184
<i>Total Safe and Drug - Free Schools and Communities National Programs</i>		
Twenty-First Century Community Learning Centers		84.287
21st Century TLC		
21st Century Old West End		
21st Century Spring	T1S1-2004	
<i>Total Twenty-First Century Community Learning Centers</i>		

<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-cash Disbursements</u>
\$ -	\$ 390,120	\$ -	\$ 350,300
1,311,452	-	1,311,452	-
4,855,732	-	4,855,732	-
18,049	-	18,049	-
<u>6,185,233</u>	<u>390,120</u>	<u>6,185,233</u>	<u>350,300</u>
<b>6,185,233</b>	<b>390,120</b>	<b>6,185,233</b>	<b>350,300</b>
-	-	431,784	-
-	-	4,802	-
-	-	<b>436,586</b>	-
191,673	-	202,403	-
<u>191,673</u>	<u>-</u>	<u>202,403</u>	<u>-</u>
52,322	-	52,322	-
341,319	-	341,319	-
<u>393,641</u>	<u>-</u>	<u>393,641</u>	<u>-</u>
-	-	4,519	-
9,803	-	6,882	-
392,235	-	1,037,451	-
<u>402,038</u>	<u>-</u>	<u>1,048,852</u>	<u>-</u>
355,000	-	347,322	-
86,000	-	98,367	-
102,942	-	88,042	-
<u>543,942</u>	<u>-</u>	<u>533,731</u>	<u>-</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR JUNE 30, 2004  
(Continued)

<b>FEDERAL GRANTOR</b> <b><i>Pass Through Grantor</i></b> Program Title	Pass-Through Entity's Number	Federal CFDA Number
Fund for the Improvement of Education		84.215
SLC Start, Rogers, Bowsher		
Smaller Learning Community		
Early Success Child/Family		
Oh Part in Char Ed	PI-S1-02	
Tehppp/Toledo Ed. & House		
<i>Total Fund for the Improvement of Education</i>		
<i>Total U.S. Department of Education - Direct Programs</i>		
<b><i>Passed Through Ohio Department of Education:</i></b>		
<u>Special Education Cluster:</u>		
Special Education Grants to States		84.027
Child Progress Indicators	6BEC-2003-P	
Spec Education IDEA, Part B	6BSF-2003-P	
Spec Education IDEA, Part B	6BSF-2004-P	
Access Collaboration	6BSD-2003-P	
<i>Total Special Education Grants to States</i>		
Special Education Preschool Grants		84.173
Preschool Grant FY 03	PGS1-2003-P	
Preschool Grant FY 04	PGS1-2004-P	
<i>Total Special Education Preschool Grants</i>		
<i>Total Special Education Cluster</i>		
Adult Education State Grant Program		84.002
A.B.L.E. FY 03	AB-S1-03	
A.B.L.E. FY 04	AB-S1-04	
<i>Total Adult Education State Grant Program</i>		
Title I Grants to Local Educational Agencies		84.010
Targeted Assistance FY 03	C1S1-2003	
Targeted Assistance FY 04	C1S1-2004	
FY 03	C1-S1-2003	
FY 04	C1-S1-2004	
Delinquent FY 03	C1-SD-2003	
Delinquent FY 04	C1-SD-2004	
School Improvement FY 03	C1-SK-2003	
School Improvement FY 04	C1-SK-2004	
<i>Total Title I Grants to Local Educational Agencies</i>		
Migrant Education State Grant Program		84.011
Migrant FY 03	MG-S1-2003	
Migrant FY 04	MG-S1-2004	
<i>Total Migrant Education State Grant Program</i>		

<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-cash Disbursements</u>
86,000	-	68,690	-
112,000	-	62,841	-
75,000	-	164,904	-
-	-	371	-
<u>223,538</u>	<u>-</u>	<u>184,800</u>	<u>-</u>
496,538	-	481,606	-
<u>1,836,159</u>	<u>-</u>	<u>2,457,830</u>	<u>-</u>
14,799	-	14,799	-
990,227	-	320,953	-
5,191,537	-	5,422,137	-
19,726	-	30,912	-
<u>6,216,289</u>	<u>-</u>	<u>5,788,801</u>	<u>-</u>
37,855	-	49,174	-
198,436	-	199,902	-
<u>236,291</u>	<u>-</u>	<u>249,076</u>	<u>-</u>
<u>6,452,580</u>	<u>-</u>	<u>6,037,877</u>	<u>-</u>
55,571	-	55,571	-
439,592	-	439,592	-
<u>495,163</u>	<u>-</u>	<u>495,163</u>	<u>-</u>
627,000	-	649,690	-
4,050,342	-	3,534,182	-
3,163,228	-	1,643,294	-
9,472,950	-	10,509,996	-
7,625	-	14,316	-
69,848	-	50,516	-
331,312	-	337,723	-
732,148	-	567,322	-
<u>18,454,453</u>	<u>-</u>	<u>17,307,039</u>	<u>-</u>
17,851	-	2,928	-
21,700	-	20,415	-
<u>39,551</u>	<u>-</u>	<u>23,343</u>	<u>-</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR JUNE 30, 2004  
(Continued)

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number
<b><i>Passed Through Ohio Department of Education (Continued):</i></b>		
Vocational Education Basic Grants to States		84.048
Secondary FY 03	20C1-2003	
Secondary FY 04	20C1-2004	
Adult FY 03	20C2-2003	
Adult FY 04	20C2-2004	
Project - Lead the Way	20A0-2004	
<i>Total Vocational Education Basic Grants to States</i>		
Safe and Drug - Free Schools and Communities State Grants		84.186
FY 03	DRS1-2003	
FY 04	DRS1-2004	
<i>Total Safe and Drug Free Schools and Communities State Grants</i>		
Education for Homeless Children and Youth		84.196
FY 03	HCS1-2003	
FY 04	HCS1-2004	
Summer FY 03	HCSP-2003	
<i>Total Education for Homeless Children and Youth</i>		
State Grants for Innovative Programs		84.298
FY 03	C2S1-2003	
FY 04	C2S1-2004	
<i>Total State Grants for Innovative Programs</i>		
Comprehensive School Reform Demonstration		84.332
FY 03	RFS2-2003	
FY 04	RFS2-2004	
Knowledgeworks	RFK1-2002	
Knowledgeworks	RFK1-2003	
<i>Total Comprehensive School Reform Demonstration</i>		
Teacher Quality Enhancement Grants	QEA1-2001	84.336
School Renovation Grants/Emergency Repair Program		84.352A
Assistive Tech Infusion	ATS4-2002	
Assistive Tech Infusion	ATS4-2003	
<i>Total School Renovation Grants/Emergency Repair Program</i>		
Improving Teacher Quality State Grants		84.367
Reducing Class Size, Title II	TRS1-2003	
Reducing Class Size, Title II	TRS1-2004	
<i>Total Improving Teacher Quality State Grants</i>		

<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-cash Disbursements</u>
593,795	-	236,556	-
579,702	-	589,540	-
19,555	-	1,529	-
131,767	-	131,767	-
6,000	-	-	-
<u>1,330,819</u>	-	<u>959,392</u>	-
113,511	-	47,346	-
222,360	-	280,856	-
<u>335,871</u>	-	<u>328,202</u>	-
94,297	-	39,207	-
125,000	-	121,751	-
3,374	-	3,374	-
<u>222,671</u>	-	<u>164,332</u>	-
46,668	-	151,848	-
360,397	-	453,959	-
<u>407,065</u>	-	<u>605,807</u>	-
3,381	-	23,265	-
70,200	-	62,024	-
101,040	-	101,040	-
29,090	-	31,868	-
<u>203,711</u>	-	<u>218,197</u>	-
50,000	-	50,000	-
14,477	-	89,167	-
2,748	-	2,748	-
<u>17,225</u>	-	<u>91,915</u>	-
557,917	-	374,735	-
1,600,746	-	1,845,899	-
<u>2,158,663</u>	-	<u>2,220,634</u>	-

(Continued)

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR JUNE 30, 2004  
(Continued)

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass-Through Entity's Number	Federal CFDA Number
<b><i>Passed Through Ohio Department of Education (Continued):</i></b>		
English Language Acquisition Grants Limited English Grant FY 04 <i>Total English Language Acquisition Grants</i>	T3S1-2004	84.365
Education Technology State Grants Technology, Title II-D Technology, Title II-D <i>Total Education Technology State Grants</i>	TJS1-2003 TJS1-2004	84.318
Vocational Education Occupational and Employment Information State Grants <i>Total U.S. Department of Education - Pass Thru Programs</i>		84.346
Total U.S. Department of Education		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <b><i>Passed Through the Ohio Department of Education and Through the Lucas County Department of Mental Retardation and Developmental Disabilities:</i></b>		
Medical Assistance Program		93.778
Total U.S. Department of Health and Human Services		
<b>Total Federal Awards Receipts and Expenditures</b>		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Disbursements</u>	<u>Non-cash Disbursements</u>
22,294	-	2,150	-
<u>22,294</u>	<u>-</u>	<u>2,150</u>	<u>-</u>
-	-	7,363	-
195,301	-	193,025	-
<u>195,301</u>	<u>-</u>	<u>200,388</u>	<u>-</u>
3,000	-	4,497	-
<u>30,388,367</u>	<u>-</u>	<u>28,708,936</u>	<u>-</u>
<b><u>32,224,526</u></b>	<b><u>-</u></b>	<b><u>31,166,766</u></b>	<b><u>-</u></b>
2,119,683	-	2,119,683	-
<u>2,119,683</u>	<u>-</u>	<u>2,119,683</u>	<u>-</u>
<b><u>\$ 40,721,115</u></b>	<b><u>\$ 390,120</u></b>	<b><u>\$ 40,110,671</u></b>	<b><u>\$ 350,300</u></b>

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

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

**NOTE C - MATCHING REQUIREMENTS**

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



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Toledo City School District  
Lucas County  
420 East Manhattan Boulevard  
Toledo, Ohio 43608-1294

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Toledo City School District (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2004, in which we noted that the District re-stated Ohio School Facilities Commission grant receivables and related revenues. 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 District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the District's management in a separate letter dated March 8, 2005.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the 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 operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the District's management in a separate letter dated March 8, 2005.

This report is intended for the information and use of the audit committee, management, Board of Education, 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.

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

**Betty Montgomery**  
Auditor of State

December 23, 2004



**Auditor of State  
Betty Montgomery**

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

Toledo City School District  
Lucas County  
420 East Manhattan Boulevard  
Toledo, Ohio 43608-1294

To the Board of Education:

**Compliance**

We have audited the compliance of Toledo City School District 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 June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District'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 District's compliance with those requirements.

In our opinion, the District 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 June 30, 2004. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated March 8, 2005.

### **Internal Control Over Compliance**

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

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

### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of Toledo City School District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 23, 2004, in which we noted the District re-stated Ohio School Facilities Commission grant receivables and related revenues. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures 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 for the information and use of the audit committee, management, Board of Education, 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.



**Betty Montgomery**  
Auditor of State

March 8, 2005

**TOLEDO CITY SCHOOL DISTRICT  
LUCAS COUNTY**

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2004

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<u>Nutrition Cluster:</u> Food Donation - CFDA # 10.550 School Breakfast Program - CFDA # 10.553 National School Lunch Program - CFDA # 10.555 Child and Adult Care Food Program - CFDA # 10.558  Improving Teacher Quality State Grants - CFDA # 84.367  Title I Grants to Local Educational Agencies - CFDA # 84.010
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 1,213,829 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



Toledo  
Public  
Schools

Comprehensive

# Annual Financial Report

Fiscal Year Ended June 30, 2004

Toledo City  
School District, Ohio



*Uniforms ...  
Not Uniformity*



# Comprehensive Annual Financial Report

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Fiscal Year Ended June 30, 2004 • Toledo City School District, Ohio

## Prepared by:

Treasurer's Division  
James P. Fortlage  
*Treasurer*

420 East Manhattan Boulevard  
Toledo, Ohio 43608-1267  
419.729.8367

## About the cover:

Toledo Public Schools adopted mandatory uniforms for all elementary students beginning in the 2004-2005 School Year. By a very substantial majority, parents embraced this initiative and the district had approximately 80-85 percent compliance from the first day of school. It is anticipated that uniforms will be adopted for junior high school students beginning next school year.

A decision to adopt uniforms was made because Toledo Public Schools believes in developing policies and practices that promote **a positive academic, social, and behavioral climate**, and credible data indicates that the adoption of student uniform dress codes can improve a school district's overall educational climate.



Toledo Public Schools  
The Power Of Learning

# Toledo Board of Education

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*President*



Larry Sykes  
*Vice-President*



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*Superintendent and CEO*



James P. Fortlage  
*Treasurer*



Toledo Public Schools  
The Power Of Learning

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LUCAS COUNTY, OHIO**

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# *INTRODUCTORY SECTION*

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# TOLEDO CITY SCHOOL DISTRICT

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

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

fax (419)-729-8474

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December 23, 2004

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

As the Superintendent and Treasurer of the Toledo City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) of the District. This CAFR, for the year ended June 30, 2004, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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

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

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

### **ECONOMIC CONDITIONS AND OUTLOOK**

Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent of these facilities are within 250 miles. Thirty-six (36) percent of U.S. and nineteen percent (19) of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, fifteen percent (15) of the U.S. and eleven (11) percent of the U.S. population is within 500 miles. The Toledo Metropolitan Area offers 25 industrial parks, seven of which are located within the Toledo City School District. Statistics indicate that employment in the Toledo area-manufacturing industries represent only about one-fourth of the available jobs in the area. The majority of work is found in non-manufacturing areas such as service industries, retail trade, and government jobs.

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

Toledo Express Airport offers both general and commercial aviation services. Commercial airlines operating out of Toledo provide direct and connecting services to such major cities as Denver, Atlanta, Chicago, Cleveland, New York, Miami, Pittsburgh, Detroit, Dallas, St. Louis, Washington D.C. and many others. The airport handles airfreight as well.

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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Like many areas of the Country, the local economy has slowed; however, the future economic outlook for the area remains positive. City officials have been and are continuing to monitor spending and have taken steps to control the size and structure of the City's workforce, trim support costs and eliminate expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with projected revenues. While the economy is still sluggish there were economic gains in 2003/04. The owners of Westfield Shoppingtown Franklin Park Mall announces a major \$113 million capital improvement and expansion project for the Mall. Dana Corporation commenced construction of a division office and research and development center for its Automotive Systems Group. Daimler/Chrysler announced plans, in cooperation with Hyundai Mobis MPDT, LLC, KUKA Flexible Production System, and Haden Environmental Corp. for significant plant investments and expansion. Mercy Health Partners announced its plans for a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The City continues to seek a developer for the Marina District, a \$190 million retail, commercial and residential development along the Maumee River. The State of Ohio has proposed providing \$4 million toward the project.

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

### **SIGNIFICANT ACCOMPLISHMENTS FOR THE YEAR**

The District is both proud of its success in its core mission of educating students to prepare them to reach their full potential as individuals and as productive members of society. As evidenced by the core mission the Toledo Public Schools received the ranking of a "Continuous Improvement District" by the Ohio Department of Education. This ranking vaulted the Toledo Public Schools two levels from Academic Emergency to the Continuous Improvement Status. The Toledo Public Schools was the only urban school district in the State of Ohio to achieve this ranking. It is the leading urban school district in the State of Ohio in meeting indicators on the State "Local Report Card" and in academic achievement as measured by student performance on the Ohio proficiency tests. District students outperformed their peers in all other urban school districts on all five of the tests at the 4<sup>th</sup>, 6<sup>th</sup> and 9<sup>th</sup> grade levels.

At the start of the 2004-05 school year students, in all elementary schools within the District, were required to wear a standardized school uniform. The District's administration as well as an overwhelming number of elementary school parents made this decision because they believed in developing policies and practices that promote a positive academic, social, and behavioral climate. It was felt that this was another way to improve the District's overall educational climate. It is anticipated that for the 2005-06 school year this will be a requirement for junior high school students and for the 2006-07 school year a requirement for senior high school students.

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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During the 2003-04 school year the District, once again, offered two single gender academies: the Lincoln Academy for Boys and the Ella P. Stewart Academy for Girls. In addition, the District in an effort to meet the needs of all students sponsored three community schools. The Brigadoon Academy is an innovative intervention and prevention initiative to decrease truancy, and increase the retention, participation and completion of schooling for young people who are at risk of disengaging from education, the Phoenix Academy developed for students who wish to pursue a high school diploma but require a more flexible schedule, and the Polly Fox Academy designed to ensure that pregnant and parenting 7<sup>th</sup> – 12<sup>th</sup> grade girls will be able to continue their education.

The Class of 2004 made the District proud. The District graduated nearly 1,500 seniors in June. This class earned over \$9.1 million in scholarship offers – a record high for the District. In addition, the District has doubled its academic progress in 3 years and the student attendance rate was 93.1% for the 2003-04 school year

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

The Committee for School Reform, a group of 34 business, civic and community leaders, is working with the District on a five-year plan for improving school governance and operations. The Committee is working with a nationally renowned expert to facilitate reform and innovation.

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

The School District and the Ohio School Facilities Commission (OSFC) have developed, with significant community input, and agreed on a Master Facilities Plan describing the classroom facilities needs of the entire student population of the District. In January 2003, the District and the OSFC entered into a Project Agreement for the construction and acquisition of the Classroom Facilities Project. The Master Facilities Plan calls for (i) the construction of 39 new elementary schools, 12 new middle schools, five new high schools and one combined elementary/middle/high school and (ii) the renovation of three elementary schools, a combined middle school/high school, two high schools and an aviation education center. The District and the OSFC currently estimate that this Project will cost \$797,817,229 and be constructed in six segments over a period of approximately 10 years. To date, the District has broken ground and started constructing Ottawa River and Oakdale elementary schools, Waite Middle School and Rogers High School.

In conjunction with this building project, two noteworthy components of the District's approach are the Community Inclusion Plan and the Community Oversight Committee. The Community Inclusion Plan, developed through a cooperative effort involving labor union leaders, the construction manager for the

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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

### **MAJOR INITIATIVES FOR THE FUTURE**

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

### **DEPARTMENT FOCUS**

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

Revenue Sharing Agreements between the City of Toledo, Toledo City School District and Washington Local Schools have been extended. Since the inception of Revenue Sharing Agreements, over 83 companies have been approved for tax abatement with "Contributions in Lieu of Taxes" totaling over \$9,044,828. These Agreements promote the economic welfare of our community by creating new jobs, while retaining and preserving existing jobs and employment opportunities, as facilities are established, expanded, renovated or occupied within designated Enterprise Zones. It is hoped that the success of these Tax Exemption Revenue Sharing Agreements will set the stage for future cooperation between government entities.

The Treasurer's Division has successfully implemented a Direct Deposit Program for the District's employees. As of June 30, 2004, approximately 84% of the administrative employees, 80% of the teaching employees, and 60% of the non-certified employees were taking advantage of the Direct Deposit option. This program not only provides our employees with better banking services and a broader number of banking options, but it is cost effective to the District and will allow us to operate more efficiently. New labor contracts now make direct deposit mandatory for all new employees.

The Department of General Accounting has increased performance and efficiency by using laser applications for both check writing for all accounts payable invoice payments as well as issuing receipts. To further increase efficiencies, with the start up of the District's massive building project during fiscal year 2003-2004, ACH payments were being made to all construction contractors and vendors. In addition, the Department has implemented online monthly reports where in reports are generated directly from the District's database. As a result, performance and efficiency has been increased as well as the paper cost savings of reducing hard copy printouts.

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2004***

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The Department of General Accounting in conjunction with the Department of Management Information Systems has been testing design processes, to implement an online purchase order system. Once implemented the Department of General Accounting will further increase performance and efficiency.

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

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

The Treasurer's Division implemented requirements of the Ohio Legislature as they relate to the mandatory preparation of a Five-Year Revenue and Expenditure Forecast, the multi-year Certification of Estimated Revenues, and the proper identification and appropriation of DPIA Funds. One provision of House Bill 412 requires the Board of Education to submit a Five-Year Financial Forecast to the Ohio Department of Education. The 2005 Five-Year Financial Forecast was presented to the Board of Education for adoption in October of 2004.

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

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

Other goals and objectives that were formulated and adopted for the 2003-2004 Fiscal Year included:

- Has continued to work with the Ohio School Facilities Commission and the District's Business Division to ensure that the future major renovation to the District's school buildings will be successfully implemented;

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2004***

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- Continue to work with the Independent Financial Review Committee, a group of local public accounting, school finance, banking, and governmental relations experts, appointed by the Board of Education to provide financial information directly to the citizens of the community;
- Continue to explore alternative computer software and internet technology to enhance operational efficiencies and reduce costs.

### **FINANCIAL INFORMATION**

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

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

As a part of the District's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion relating to Federal Financial Assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District's Single Audit for the Fiscal Year ended June 30, 2003, as of this writing, revealed no instances of material weakness in internal control structure or significant violations of applicable laws and regulations.

**Budgetary Controls:** The District maintains budgetary controls and ensures compliance with legal provisions through the adoption of the Annual Appropriation Measure approved by the Board of Education. The Annual Appropriation Measure embodies all funds of the District. Funds establish the level of budgetary control, and expenditures cannot legally exceed the appropriated amount. The level of budgetary control established by the Board of Education is at the fund level. The District also maintains an encumbrance system to assist in budgetary control. Unencumbered appropriations lapse at year-end. The District obtained an Official Amended Certificate of Estimated Revenues on June 30, 2004.

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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**Debt Administration:** At June 30, 2004, the District had outstanding Long-Term Voted and Un-voted Debt issues of \$167,933,506. As of January 15, 2003, a MIG 1 rating was received from Moody's Rating Committee for the Note debt issuance. Moody's and Fitch also assigned their municipal bond ratings of Aaa and AAA, respectively, to the Long-Term Bond with the understanding that the District obtain Municipal Bond Insurance Policy issued by Financial Security Assurance, Inc. The District has obtained the necessary Municipal Bond Insurance Policy. Under current state statutes, the District's General Obligation Bonded Debt Issuances are subject to a legal limitation based on nine percent of the total assessed value of real and personal property. At June 30, 2004, the District's General Obligation debt of \$167,800,000 was below the legal limit.

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

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

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

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

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

- (a) Collateralized Mortgage Obligations (CMO's)
- (b) Ginnie Mae Mortgage Association (GNMA)
- (c) Reverse Repurchase Agreements (a.k.a. Security Lending)
- (d) Security Pools offered by any other body politic other than the State Treasury Asset Reserve (STAR Ohio)

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2004***

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- (e) Any derivative security defined as “an Obligation, security, or contract that derives its value or price from the value or price of another obligation, security, commodity, currency, or instrument, or the performance of a market index.”
- (f) Any investment in stripped principal or interest obligations of otherwise eligible obligations (i.e. U.S. Treasury Strips)
- (g) negotiable, brokered Certificates of Deposit such as “Yankee C.D.’s”, “Eurodollar C.D.’s”, and “Canadian Time Deposit Receipts (TDR’s)”. Any other time deposit, which is not specifically collateralized beyond FDIC insurance.
- (h) Small Business Loan Program products (SBA or SBIC).
- (i) Contracting to sell securities that have not yet been acquired by the District for the purpose of bond price speculation (a.k.a. Selling Short)
- (j) Any other investment not specifically allowed by Section 135 of the Ohio Revised Code and these administrative investment policies

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

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

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

### **RISK MANAGEMENT**

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2004***

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

### **OTHER INFORMATION**

**Independent Audit:** State statutes require an annual audit by independent accountants. The Ohio State Auditor's Office conducted the audit for the Fiscal Year ended June 30, 2004. The Auditor's Audit Opinion is on the Basic Financial Statements. The introductory section, the combining and individual nonmajor fund statements and statistical tables are not a required part of the opinion and no opinion is rendered on those sections.

**Awards:** The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Toledo City School District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2003. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that conforms to program standards. A CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement award is valid for a period of one year. The Toledo City School District has received a Certificate of Achievement for the past fifteen years (1989-2003). We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA for consideration.

The Toledo City School District also received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2003. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of Certified Public Accountants and practicing school business officials, grants the award, only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. This is the eighth year the District has received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

***TOLEDO CITY SCHOOL DISTRICT***

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2004***

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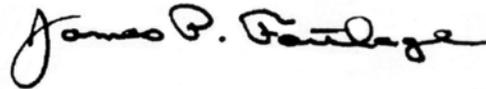
Acknowledgment: Preparation of this report would not have been possible without the joint cooperation of all Divisions in the District. We would like to specifically acknowledge the following individuals within the Treasurer's Division and the Business Division: James Larson-Shidler, C.P.A., Assistant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

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

Sincerely,



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



James P. Fortlage  
Treasurer of the Board

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2004***

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#### ***Members of the Board of Education***

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

	Began Service as a Board Member	Present Term Expires
David E. Welch, President	01/01/1998	12/31/2005
Larry Sykes, Vice President	12/16/1997	12/31/2007
Deborah Barnett, Member	01/01/2004	12/31/2007
Anita L. Lopez, Member	01/01/2002	12/31/2005
Peter Silverman, Member	01/01/1998	12/31/2005

#### ***Superintendent***

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

#### ***Treasurer***

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

***TOLEDO CITY SCHOOL DISTRICT***

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***Management Team Members and Treasurer's Office Staff  
For the Fiscal Year Ended June, 30, 2004***

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***Management Team Members***

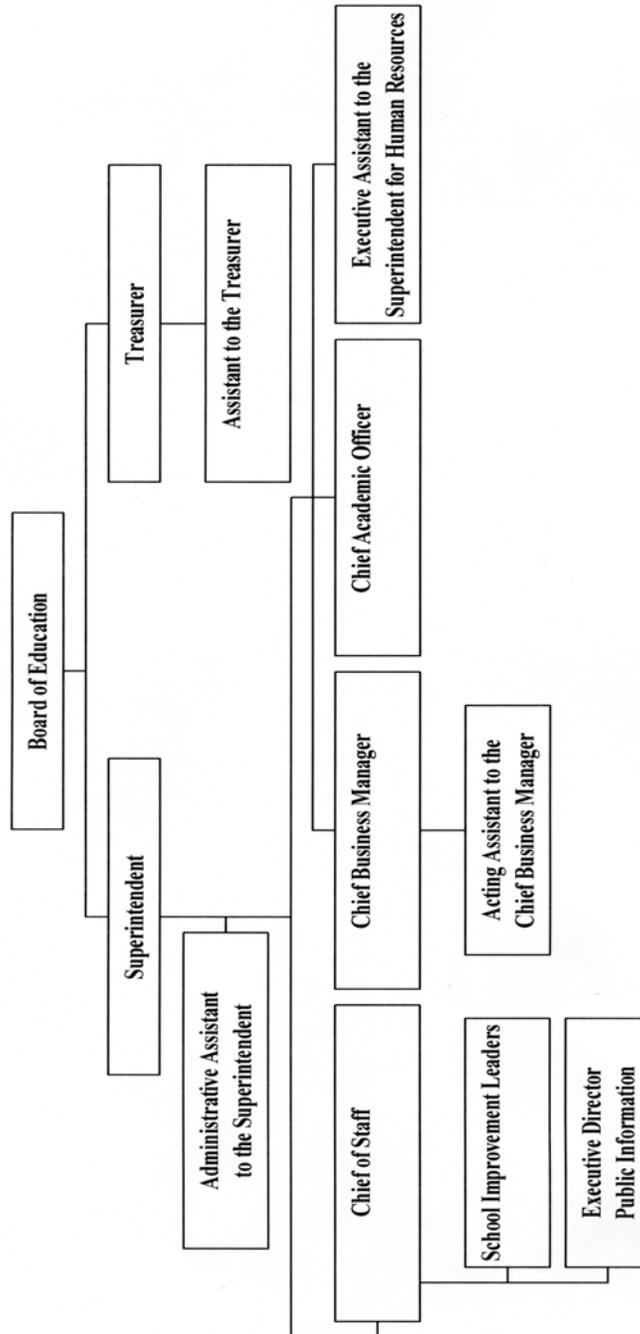
Eugene T.W. Sanders, Ph.D.	Superintendent and Chief Executive Officer
James P. Fortlage	Treasurer of the Board
Sheila M. Austin, Ph.D.	Chief of Staff
Craig E. Cotner	Chief Academic Officer
Clinton L. Faulkner	Executive Assistant to the Superintendent for Human Resources
Cecelia M. Adams, Ph.D.	School Improvement Leader, Start Learning Community
Jane A. Bruss	Executive Director, Public Information
Daniel J. Burns	Acting Chief Business Manager
Robert D. Clark	School Improvement Leader, Waite Learning Community
John Foley	School Improvement Leader, Rogers Learning Community
Gary D. Sautter	Acting Assistant to the Business Manager
Marcia D. Helman	School Improvement Leader, Libbey Learning Community
Richard E. Jackson	Executive Director, School and Community Relations
Jan I. Kilbride	School Improvement Leader, Bowsher Learning Community
James D. Larson-Shidler, C.P.A.	Assistant to the Treasurer
Jai I. Norment, II	School Improvement Leader, Woodward Learning Community
Stanley L. Woody	School Improvement Leader, Scott Learning Community

**TOLEDO CITY SCHOOL DISTRICT**

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*School District Organizational Chart  
For the Fiscal Year Ended June, 30, 2004*

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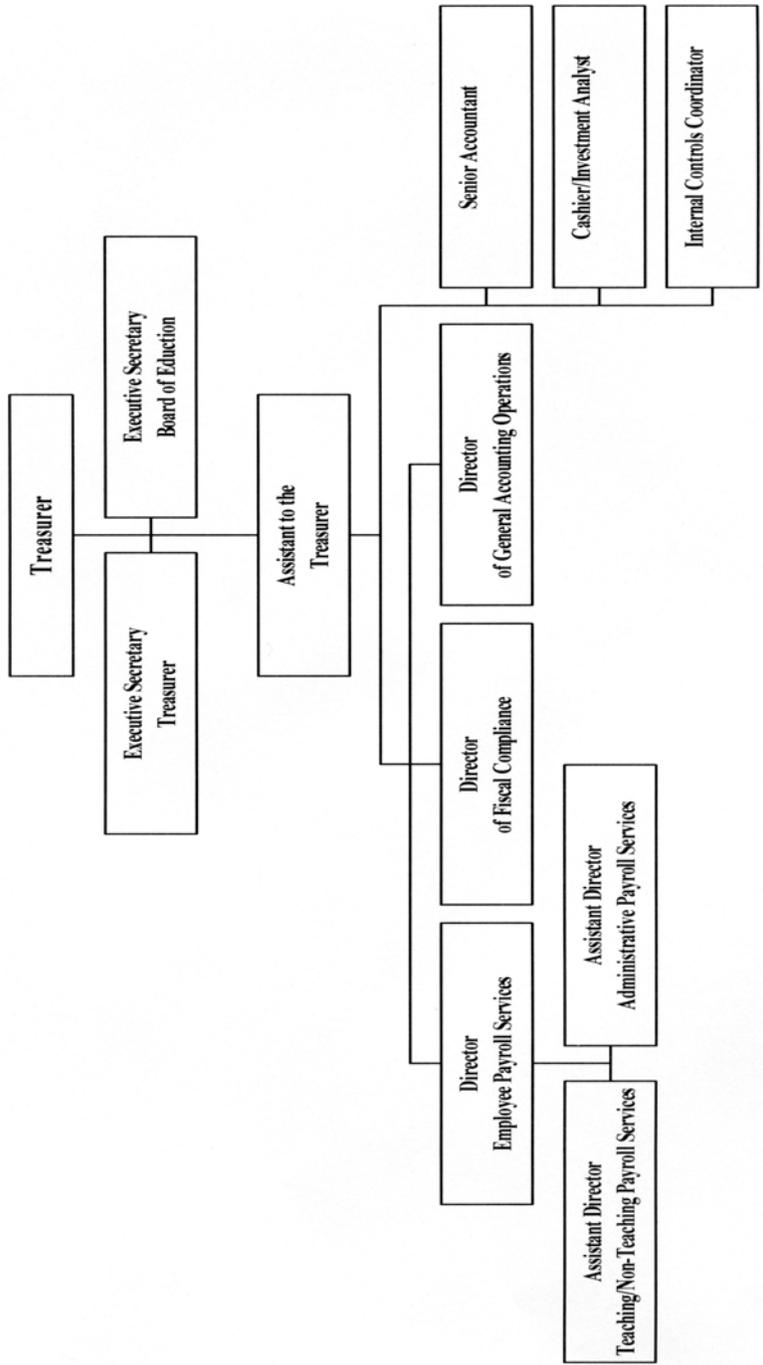


**TOLEDO CITY SCHOOL DISTRICT**

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*Treasurer's Division Organizational Chart  
For the Fiscal Year Ended June, 30, 2004*

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Toledo City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Zjeldu*

President

*Jeffrey R. Egan*

Executive Director

**TOLEDO CITY SCHOOL DISTRICT**

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

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**TOLEDO CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2003

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

  
President

  
Executive Director



## *FINANCIAL SECTION*

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Toledo City School District  
Lucas County  
420 East Manhattan Boulevard  
Toledo, Ohio 43608-1294

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo City School District, Lucas County, Ohio, (the District) as of and for the year ended June 30 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial 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, each major fund, and the aggregate remaining fund information of the Toledo City School District, Lucas County, Ohio, as of June 30 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, as of July 1, 2003, the District re-stated Ohio School Facilities Commission grant receivables and related revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. 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.

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



**Betty Montgomery**  
Auditor of State

December 23, 2004

## ***TOLEDO CITY SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004***

***Unaudited***

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The discussion and analysis of the Toledo City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

### ***FINANCIAL HIGHLIGHTS***

**Key financial highlights for 2004 are as follows:**

- ❑ General revenues accounted for \$328,673,735 in revenue or 79% of all revenue. Program specific revenues in the form of charges for services and grants and contributions accounted for \$88,502,528 or 21% of total revenues of \$417,176,263. Overall, the District's financial position stayed about the same during fiscal year 2004.
- ❑ The District had \$419,110,468 in expenses related to governmental activities; only \$88,502,528 of these expenses were offset by program specific revenues in the form of charges for services, grants or contributions. General revenues (primarily taxes totaling \$123,566,379, unrestricted state and federal revenues totaling \$202,381,204, investment earnings totaling \$2,088,128 plus prior year carry over revenues) were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$301,202,563 in revenue, \$304,316,715 in expenditures and (\$3,609,466) in net other financing uses, resulting in the general fund balance decreasing by \$6,723,618 to (\$9,333,928). This decrease was due, in part, to a significant increase in health care benefits expenditures and declining student enrollment.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

These statements are as follows:

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

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

***Government-wide Statements***

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

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

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

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

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

***Fund Financial Statements***

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

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

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

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004**

**Unaudited**

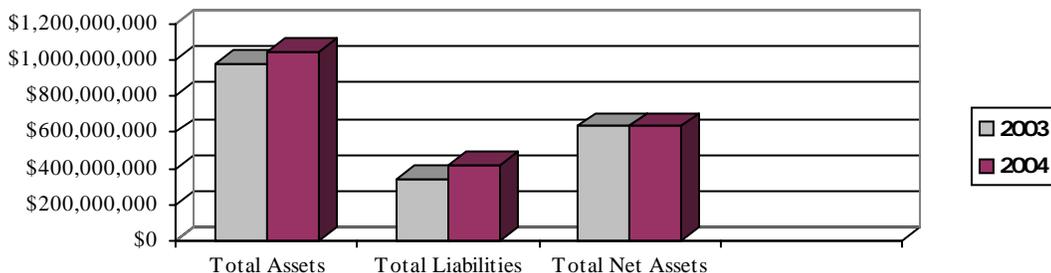
**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs, various scholarship programs and other items listed as agency and private purpose. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries.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

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

The following table provides a summary of the District's net assets for 2004 compared to 2003:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Current and other assets	\$988,419,794	\$927,970,043	\$60,449,751
Capital assets, Net	58,558,611	49,361,605	9,197,006
Total assets	1,046,978,405	977,331,648	69,646,757
Long-term debt outstanding	216,448,198	122,157,314	94,290,884
Other liabilities	198,618,986	221,328,908	(22,709,922)
Total liabilities	415,067,184	343,486,222	71,580,962
Net assets			
Invested in capital assets, net of related debt	46,451,090	47,320,939	(869,849)
Restricted	627,111,896	630,109,879	(2,997,983)
Unrestricted	(41,651,765)	(43,585,392)	1,933,627
Total net assets	\$631,911,221	\$633,845,426	(\$1,934,205)

**Toledo City Schools Governmental Activities**



**TOLEDO CITY SCHOOL DISTRICT****Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004****Unaudited**

**Changes in Net Assets** – The following table shows the net assets for the fiscal year 2004 compared to 2003:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Revenues			
Program revenues:			
Charges for Services	\$12,822,963	\$10,550,915	\$2,272,048
Operating Grants	69,932,639	62,289,833	7,642,806
Capital Grants	5,746,926	612,498,767	(606,751,841)
General revenues:			
Property Taxes	123,566,379	114,676,448	8,889,931
Grants and Entitlements	202,381,204	192,462,913	9,918,291
Other	2,726,152	2,602,705	123,447
Total revenues	417,176,263	995,081,581	(577,905,318)
Program Expenses			
Instruction	248,417,336	222,417,618	25,999,718
Support Services	134,366,560	141,129,502	(6,762,942)
Non-Instructional Services	25,815,679	25,122,326	693,353
Extracurricular Activities	5,362,388	5,360,012	2,376
Interest and Fiscal Charges	5,148,505	45,506	5,102,999
Total expenses	419,110,468	394,074,964	25,035,504
Total Change in Net Assets	(1,934,205)	601,006,617	(602,940,822)
Beginning Net Assets	633,845,426	32,838,809	601,006,617
Ending Net Assets	\$631,911,221	\$633,845,426	(\$1,934,205)

**Governmental Activities**

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

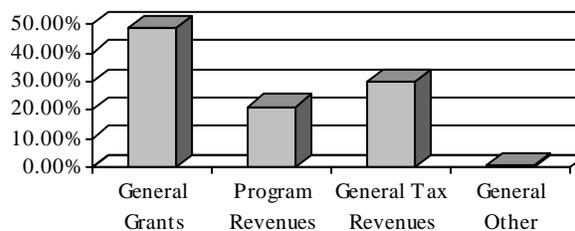
Property taxes made up approximately 30% of revenues for governmental activities for the Toledo City School District in fiscal year 2004. The District's reliance upon tax revenues is demonstrated by the following graph indicating 29.62% of total revenues from general tax revenues

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004**

**Unaudited**

Revenue Sources	2004	Percent of Total
General Grants	\$202,381,204	48.51%
Program Revenues	88,502,528	21.22%
General Tax Revenues	123,566,379	29.62%
General Other	2,726,152	0.65%
<b>Total Revenue</b>	<b>\$417,176,263</b>	<b>100.00%</b>



**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$167,209,788, which is greater than last year's total of \$85,535,178. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2004 and 2003.

	Fund Balance June 30, 2004	Fund Balance June 30, 2003	Increase (Decrease)
General	(\$9,333,928)	(\$2,610,310)	(\$6,723,618)
Debt Service	7,611,595	6,929,044	682,551
Permanent Improvement			
Capital Projects	5,113,514	4,731,012	382,502
Classroom Facilities			
Capital Projects	143,567,778	67,842,391	75,725,387
Other Governmental	20,250,829	8,643,041	11,607,788
<b>Total</b>	<b>\$167,209,788</b>	<b>\$85,535,178</b>	<b>\$81,674,610</b>

Although General Fund revenues increased, and General Fund expenditures were static, they were not sufficient to cover expenses and transfers out during fiscal year 2004. The Debt Service Fund increase is do in part to increased revenues from taxes as a result of the School Facilities Project levy that was passed in FY 2002-03 and an increase in bond issuance premiums for new bonded debt. The Permanent Improvement Fund, Classroom Facilities Fund and Other Governmental Funds increase is do mainly to revenues received from the Capital Improvement Bonds issued during FY 2003-04.

**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004**

**Unaudited**

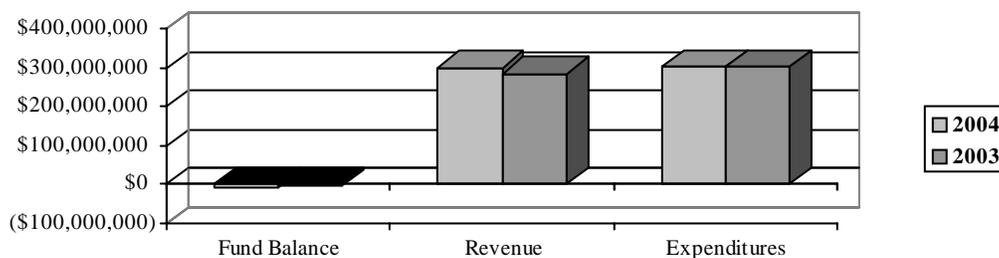
**General Fund** – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2004 Revenues	2003 Revenues	Increase (Decrease)
Taxes	\$100,369,791	\$100,558,455	(\$188,664)
Tuition	4,002,258	1,531,378	2,470,880
Transportation Fees	469,959	440,760	29,199
Investment Earnings	469,425	1,083,793	(614,368)
Class Materials and Fees	183,288	211,230	(27,942)
Intermediate Sources	678	10,648	(9,970)
Intergovernmental - State	191,029,804	177,710,457	13,319,347
Intergovernmental - Federal	2,119,683	1,353,205	766,478
All Other Revenue	2,557,677	2,444,104	113,573
<b>Total</b>	<b>\$301,202,563</b>	<b>\$285,344,030</b>	<b>\$15,858,533</b>

Total General Fund revenues, in FY 2003-04, increased by approximately 5.50%. Tuition revenue increased by approximately 161% due, in part, to increases in District sponsored community school reimbursements. Investment earnings decreased by approximately 56.69%. During FY 2002-03 the District had additional revenues to invest in the form of bond anticipation notes, totaling \$72,500,000. Said notes were paid off in July 2003. There was an increase in Intergovernmental State revenues by approximately 7.49% due to increases in State pass through revenue for Charters schools and increases in State parity aid. There was an increase in Intergovernmental Federal revenues of approximately 56.6% due to additional monies being received for Medicaid reimbursement.

	2004 Expenditures	2003 Expenditures	Increase (Decrease)
Instruction	\$179,743,356	\$178,517,723	\$1,225,633
Supporting Services	110,889,143	111,873,736	(984,593)
Non-Instructional Services	9,822,426	8,068,470	1,753,956
Extracurricular Activities	3,551,623	3,613,205	(61,582)
Capital Outlay	310,167	2,115,078	(1,804,911)
<b>Total</b>	<b>\$304,316,715</b>	<b>\$304,188,212</b>	<b>\$128,503</b>

General Fund



**TOLEDO CITY SCHOOL DISTRICT**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004*

*Unaudited*

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

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2004, the District amended its General Fund budget as new sources of revenue were received. A final Supplementing/Amending Appropriation Measure was approved prior to the close of the fiscal year.

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Percent of Change</u>
General Fund			
Revenue	\$294,828,633	\$303,211,555	2.84%
Expenditures	315,527,519	326,555,074	(3.49%)

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**TOLEDO CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004**

**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets* - At the end of fiscal 2004 the District had \$58,558,611 net of accumulated depreciation invested in land, land improvements, buildings, building additions, equipment, vehicles and construction in progress. The following table shows fiscal year 2004 balances:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Land	\$10,281,943	\$9,537,451	\$744,492
Construction in Progress	12,191,262	2,848,748	9,342,514
Land Improvements	9,337,804	9,337,804	0
Buildings	65,227,408	64,777,408	450,000
Building Improvements	43,564,899	42,578,019	986,880
Machinery and Equipment	5,926,640	4,569,693	1,356,947
Vehicles	9,348,032	9,234,252	113,780
Less: Accumulated Depreciation	(97,319,377)	(93,521,770)	(3,797,607)
Totals	\$58,558,611	\$49,361,605	\$9,197,006

For financial reporting purposes the District capitalizes all assets in excess of \$5,000. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 10).

The District and the Ohio School Facilities Commission have cooperatively entered into an agreement to build and/or renovate 63 buildings at an estimated cost of \$797,817,229, for which the District's local share is \$183,498,000. This project will be over a ten-year period.

*Debt* - At June 30, 2004, the District had \$133,506 in EPA Promissory Notes outstanding, \$93,000 due within one year and \$167,800,000 in General Obligation Bonds outstanding, \$8,200,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2004:

	2004
Governmental Activities:	
EPA Promissory Note	\$133,506
General Obligation Bonds	167,800,000
Premium on G.O. Bonds	3,879,762
Capital Leases Payable	828,655
Compensated Absences	43,806,275
Totals	\$216,448,198

During fiscal year 2003-04, the District issued \$103,600,000 in General Obligation School Facility Improvement Bonds to finance the capital building project.

Under current state statutes, the District's debt issue is subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2004, the District's outstanding debt was below the legal limit. Detailed information regarding debt is included in the notes to the basic financial statements (Note 14).

## **ECONOMIC FACTORS**

School districts are required by Ohio law to prepare, and submit to the State Department of Education each year, a five-year financial forecast. The District submitted its last such annual forecast to the Department in October 2004. That forecast, based on assumptions that included the renewal and uninterrupted collection of existing levies expiring in 2004, maintenance of then current staffing levels and wage schedules, annually increasing costs of health (13%), prescription (15%) and dental (6%) benefits, utilities (3%) and transportation (3%) showed a projected year-end General Operating Funds balance of \$3,292,000. On November 2, 2004 the electors of the District overwhelmingly approved the renewal of the 5 mill, \$15.7 million current expense levy that was to expire in 2004 for a period of five years. The Board has not made a decision as to whether they -will submit to the electors of the District the question of an additional levy for operating purposes.

In June 2004, the Board adopted a budget for fiscal year 2005 that included a reduction of approximately one hundred twenty four professional and support staff positions.

The Administration and the collective bargaining units, representing District employees, agreed to extensions of their current contracts for a period through March 2006 with no wage increases unless new millage tax levy monies become available. In addition, those collective bargaining units agreed to changes in employee health and prescription benefits to assist in reducing ever rising health care costs.

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

The Board, in cooperation with the collective bargaining units, has also begun taking steps to stabilize student enrollment and resulting allocations of State School Foundation distributions in response to competition from "community" schools. The District's strategy has been to offer special magnet school learning center alternatives. In fiscal year 2000, the District opened Grove Patterson Academy in the District's Start Learning Community, and, in fiscal year 2002, reopened Old West End Junior High as Old West End academy in the Scott Learning Community. Both of those Academies have proved popular with students and parents and have experienced enrollment growth. For the 2003-04 school year, the District converted its Lincoln Elementary School and Ella P. Stewart Elementary School to single gender student academies, and the Board created three of its own community schools that opened in August 2003 to serve students with special circumstances and resulting needs. The Fall 2004 enrollment for the District's four academies was 1,168, and the Fall 2004 Average Daily Membership (ADM) at the three community schools was approximately 471. The Administration is developing a formal student recruitment and retention program in furtherance of its efforts to stabilize enrollment.

***TOLEDO CITY SCHOOL DISTRICT***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June, 30, 2004***

***Unaudited***

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**Contacting the School District's Financial Management**

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



**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Net Assets**  
**June 30, 2004**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 234,745,634
Cash with Fiscal Agent	37,322
Receivables:	
Taxes	130,347,852
Accounts	700,421
Intergovernmental	614,053,771
Interest	2,347,230
Interfund Loan Receivable	3,400
Materials and Supplies Inventory	1,137,289
Inventory Held for Resale	149,334
Restricted Assets:	
Cash and Cash Equivalents	3,700,671
Unamortized Bond Issuance Costs	1,196,870
Capital Assets Not Being Depreciated	22,473,205
Capital Assets Being Depreciated, Net	36,085,406
<b>Total Assets</b>	<b>1,046,978,405</b>
<b>Liabilities:</b>	
Accounts Payable	30,031,146
Accrued Wages and Benefits	39,092,200
Intergovernmental Payable	15,094,151
Deferred Revenue	113,786,508
Accrued Interest Payable	614,981
Long Term Liabilities:	
Due Within One Year	9,167,605
Due in More Than One Year	207,280,593
<b>Total Liabilities</b>	<b>415,067,184</b>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	46,451,090
Restricted For:	
Capital Projects	602,514,840
Debt Service	7,914,287
Other Purposes	12,982,098
Set Asides	3,700,671
Unrestricted (Deficit)	(41,651,765)
<b>Total Net Assets</b>	<b>\$ 631,911,221</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Statement of Activities  
For the Fiscal Year Ended June 30, 2004**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction	\$ 248,417,336	\$ 5,213,123	\$ 51,477,336	\$ 5,556,169	\$(186,170,708)
Support Services	134,366,560	6,121,179	16,993,169	190,757	(111,061,455)
Non-Instructional Services	25,815,679	0	960,253	0	(24,855,426)
Extracurricular Activities	5,362,388	1,488,661	501,881	0	(3,371,846)
Interest and Fiscal Charges	5,148,505	0	0	0	(5,148,505)
<b>Totals</b>	<u>\$ 419,110,468</u>	<u>\$ 12,822,963</u>	<u>\$ 69,932,639</u>	<u>\$ 5,746,926</u>	<u>(330,607,940)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					107,245,398
					1,152,249
					10,924,204
					4,244,528
					202,381,204
					2,088,128
					638,024
					<u>328,673,735</u>
					(1,934,205)
					<u>633,845,426</u>
					<u>\$ 631,911,221</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2004**

	General	Debt Service	Improvement Capital Projects	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 14,433,713	\$ 6,996,182	\$ 6,051,518	\$ 158,641,708	\$ 34,896,682	\$ 221,019,803
Cash with Fiscal Agent	0	0	37,322	0	0	37,322
Receivables:						
Taxes	112,800,388	11,513,202	5,126,879	0	907,383	130,347,852
Accounts	303,695	0	0	0	145,320	449,015
Intergovernmental	584,118	0	0	597,863,770	15,602,121	614,050,009
Interest	136,286	167,390	86,300	1,604,412	319,451	2,313,839
Interfund Loan Receivable	2,303,509	0	0	0	0	2,303,509
Materials and Supplies Inventory	515,642	0	0	0	166,243	681,885
Inventory Held for Resale	0	0	0	0	149,334	149,334
Restricted Assets:						
Cash and Cash Equivalents	3,700,671	0	0	0	0	3,700,671
<b>Total Assets</b>	<b>\$ 134,778,022</b>	<b>\$ 18,676,774</b>	<b>\$ 11,302,019</b>	<b>\$ 758,109,890</b>	<b>\$ 52,186,534</b>	<b>\$ 975,053,239</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 7,297,816	\$ 0	\$ 1,131,412	\$ 16,598,298	\$ 4,809,471	\$ 29,836,997
Accrued Wages and Benefits	21,954,565	0	0	0	5,983,635	27,938,200
Intergovernmental Payable	6,461,623	0	6,217	80,044	2,772,443	9,320,327
Interfund Loans Payable	0	0	0	0	2,300,109	2,300,109
Deferred Revenue	108,397,946	11,065,179	5,050,876	597,863,770	16,070,047	738,447,818
<b>Total Liabilities</b>	<b>144,111,950</b>	<b>11,065,179</b>	<b>6,188,505</b>	<b>614,542,112</b>	<b>31,935,705</b>	<b>807,843,451</b>
<b>Fund Balances:</b>						
Reserved for Encumbrances	7,359,976	0	885,569	16,504,972	5,848,194	30,598,711
Reserved for Supplies Inventory	515,642	0	0	0	315,577	831,219
Reserved for Property Taxes	3,105,515	466,519	135,658	0	45,308	3,753,000
Reserved for Budget Stabilization	3,700,671	0	0	0	0	3,700,671
Reserved for Endowments	0	0	0	0	502,291	502,291
Unreserved, Undesignated in:						
General Fund (Deficit)	(24,015,732)	0	0	0	0	(24,015,732)
Special Revenue Funds (Deficit)	0	0	0	0	(3,246,820)	(3,246,820)
Debt Service Fund	0	7,145,076	0	0	0	7,145,076
Capital Projects Funds	0	0	4,092,287	127,062,806	16,457,431	147,612,524
Permanent Fund	0	0	0	0	328,848	328,848
<b>Total Fund Balances</b>	<b>(9,333,928)</b>	<b>7,611,595</b>	<b>5,113,514</b>	<b>143,567,778</b>	<b>20,250,829</b>	<b>167,209,788</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 134,778,022</b>	<b>\$ 18,676,774</b>	<b>\$ 11,302,019</b>	<b>\$ 758,109,890</b>	<b>\$ 52,186,534</b>	<b>\$ 975,053,239</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
June 30, 2004***

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<b>Total Governmental Fund Balances</b>	\$ 167,209,788
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	58,558,611
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	625,858,180
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,787,305
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(221,502,663)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<b><u><u>\$ 631,911,221</u></u></b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2004**

	General	Debt Service	Improvement Capital Projects	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 100,369,791	\$ 10,924,204	\$ 4,244,528	\$ 0	\$ 1,152,249	\$ 116,690,772
Tuition	4,002,258	0	0	0	1,195,035	5,197,293
Transportation Fees	469,959	0	0	0	0	469,959
Food Services	0	0	0	0	2,355,774	2,355,774
Investment Earnings	469,425	65,852	69,422	1,016,325	457,041	2,078,065
Extracurricular Activities	0	0	0	0	1,546,319	1,546,319
Class Materials and Fees	183,288	0	0	0	217,494	400,782
Intermediate Sources	678	0	0	0	34,561	35,239
Intergovernmental - State	191,029,804	1,481,782	615,731	11,976,389	38,630,952	243,734,658
Intergovernmental - Federal	2,119,683	0	0	0	42,361,215	44,480,898
All Other Revenue	2,557,677	0	0	477,615	444,550	3,479,842
<b>Total Revenue</b>	<b>301,202,563</b>	<b>12,471,838</b>	<b>4,929,681</b>	<b>13,470,329</b>	<b>88,395,190</b>	<b>420,469,601</b>
<b>Expenditures:</b>						
Current:						
Instruction	179,743,356	0	143,269	0	44,193,979	224,080,604
Supporting Services	110,889,143	181,605	2,096,883	0	23,612,712	136,780,343
Non-Instructional Services	9,822,426	0	0	0	17,663,837	27,486,263
Extracurricular Activities	3,551,623	0	0	0	1,597,631	5,149,254
Capital Outlay	310,167	0	2,439,527	26,742,942	7,798,209	37,290,845
Debt Service:						
Principal Retirement	0	8,393,000	0	0	0	8,393,000
Interest & Fiscal Charges	0	5,769,497	0	0	0	5,769,497
<b>Total Expenditures</b>	<b>304,316,715</b>	<b>14,344,102</b>	<b>4,679,679</b>	<b>26,742,942</b>	<b>94,866,368</b>	<b>444,949,806</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,114,152)	(1,872,264)	250,002	(13,272,613)	(6,471,178)	(24,480,205)
<b>Other Financing Sources (Uses):</b>						
General Obligation Bonds Issued	0	0	0	88,998,000	14,602,000	103,600,000
Premiums on Bonds Issued	0	2,554,815	0	0	0	2,554,815
Transfers In	46,553	0	132,500	0	3,504,972	3,684,025
Transfers Out	(3,656,019)	0	0	0	(28,006)	(3,684,025)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,609,466)</b>	<b>2,554,815</b>	<b>132,500</b>	<b>88,998,000</b>	<b>18,078,966</b>	<b>106,154,815</b>
Net Change in Fund Balance	(6,723,618)	682,551	382,502	75,725,387	11,607,788	81,674,610
<b>Fund Balances at Beginning of Year</b>	<b>(2,610,310)</b>	<b>6,929,044</b>	<b>4,731,012</b>	<b>67,842,391</b>	<b>8,643,041</b>	<b>85,535,178</b>
<b>Fund Balances End of Year</b>	<b>\$ (9,333,928)</b>	<b>\$ 7,611,595</b>	<b>\$ 5,113,514</b>	<b>\$ 143,567,778</b>	<b>\$ 20,250,829</b>	<b>\$ 167,209,788</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended June 30, 2004***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 81,674,610

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 10,454,830

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (3,114,015)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. (96,246,973)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (379,237)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 1,439,084

The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 4,237,496

***Change in Net Assets of Governmental Activities*** \$ (1,934,205)

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Revenue from Local Sources	\$ 173,253,159	\$ 107,837,910	\$ 108,959,956	\$ 1,122,046
Revenue from State Sources	117,937,323	191,029,804	191,029,804	0
Revenue from Federal Sources	1,592,512	2,119,683	2,119,683	0
Total Revenues	292,782,994	300,987,397	302,109,443	1,122,046
<b>Expenditures:</b>				
Current:				
Instructional Services:				
Regular	77,185,854	107,750,369	107,750,352	17
Special	26,686,468	35,723,594	35,723,594	0
Vocational Education	8,835,906	11,325,151	11,325,151	0
Adult/Continuing Instruction	0	159	159	0
Other	29,776,680	31,488,013	31,488,013	0
Support Services:				
Pupils	12,946,164	16,252,153	16,252,153	0
Instructional Staff	12,171,045	16,118,722	16,118,714	8
Board of Education	129,019	138,353	138,353	0
Administration	15,029,140	19,545,854	19,545,854	0
Fiscal Services	4,427,086	5,261,912	5,261,909	3
Business	2,245,431	2,295,755	2,295,754	1
Operation and Maintenance of Plant	27,405,473	33,110,026	33,110,022	4
Pupil Transportation	10,366,109	13,581,099	13,581,098	1
Central	6,372,818	7,583,172	7,583,171	1
Other Services:				
Food Service Operations	13,144	10,501	10,501	0
Community Services	997,189	1,146,634	1,146,633	1
Other Operation of Non-Instr. Serv.	72,928,158	11,390,292	11,390,292	0
Academic and Subject Oriented Act.	390,330	410,874	410,874	0
Occupation Oriented Activities	109,744	94,104	94,104	0
Sport Oriented Activities	2,479,032	2,987,376	2,987,376	0
School and Pub. Serv. Co-Curric. Act.	187,412	212,271	212,271	0
Contingencies	0	3,700,671	0	3,700,671
Site Improvement Services	315,000	295,471	295,471	0
Total Expenditures	310,997,202	320,422,526	316,721,819	3,700,707

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2004**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,214,208)	(19,435,129)	(14,612,376)	4,822,753
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,480,307)	(3,653,771)	(3,653,771)	0
Advances In	1,925,871	2,074,621	2,074,621	0
Advances Out	(2,000,010)	(2,452,259)	(2,452,259)	0
Refund of Prior Year's Expenditures	119,768	149,537	149,537	0
Refund of Prior Year's Receipts	(50,000)	(26,518)	(26,518)	0
Total Other Financing Sources (Uses):	<u>(2,484,678)</u>	<u>(3,908,390)</u>	<u>(3,908,390)</u>	<u>0</u>
Net Change in Fund Balances	(20,698,886)	(23,343,519)	(18,520,766)	4,822,753
Fund Balance at Beginning of Year	16,725,789	16,725,789	16,725,789	0
Prior Year Encumbrances	<u>10,377,160</u>	<u>10,377,160</u>	<u>10,377,160</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,404,063</u>	<u>\$ 3,759,430</u>	<u>\$ 8,582,183</u>	<u>\$ 4,822,753</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Statement of Net Assets  
Proprietary Funds  
June 30, 2004***

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	Governmental Activities - Internal Service Funds
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 13,725,831
Receivables:	
Accounts	251,406
Intergovernmental	3,762
Interest	33,391
Materials and Supplies Inventory	<u>455,404</u>
<b>Total Assets</b>	<u>14,469,794</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	194,149
Accrued Wages and Benefits	11,154,000
Intergovernmental Payable	<u>1,334,340</u>
<b>Total Liabilities</b>	<u>12,682,489</u>
<b>Net Assets:</b>	
Unrestricted	<u>1,787,305</u>
<b>Total Net Assets</b>	<u><u>\$ 1,787,305</u></u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2004***

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	Governmental Activities - Internal Service Funds
<b>Operating Revenues:</b>	
Interfund Charges	\$ 52,072,275
<b>Total Operating Revenues</b>	<u>52,072,275</u>
<b>Operating Expenses:</b>	
Personal Services	1,374,508
Purchased Services	45,782,740
Supplies and Materials	783,864
Miscellaneous	13,341
<b>Total Operating Expenses</b>	<u>47,954,453</u>
Operating Income	4,117,822
<b>Nonoperating Revenue (Expenses):</b>	
Investment Earnings	119,674
<b>Total Nonoperating Revenues (Expenses)</b>	<u>119,674</u>
Change in Net Assets	4,237,496
Net Assets Beginning of Year	<u>(2,450,191)</u>
Net Assets End of Year	<u>\$ 1,787,305</u>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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***Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2004***

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	Governmental Activities Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$52,199,508
Cash Payments to Employees for Services and Benefits	<u>(50,307,675)</u>
Net Cash Provided by Operating Activities	<u>1,891,833</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	<u>108,867</u>
Net Cash Provided by Investing Activities	<u>108,867</u>
Net Increase in Cash and Cash Equivalents	2,000,700
Cash and Cash Equivalents at Beginning of Year	<u>11,725,131</u>
Cash and Cash Equivalents at End of Year	<u><u>\$13,725,831</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$4,117,822
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(239,304)
Increase in Intergovernmental Receivables	(1,611)
Increase in Inventory	(57,011)
Decrease in Accounts Payable	(1,867,531)
Increase in Accrued Wages and Benefits	715,000
Decrease in Intergovernmental Payables	<u>(775,532)</u>
Total Adjustments	<u>(2,225,989)</u>
Net Cash Provided by Operating Activities	<u><u>\$1,891,833</u></u>

See accompanying notes to the basic financial statements.

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Net Assets  
Fiduciary Funds  
June 30, 2004**

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	Private Purpose Trust	
	Special Trust Fund	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 1,272,303	\$ 495,376
Receivables:		
Accounts	10	46,062
Interest	3,783	1,668
<b>Total Assets</b>	<b>1,276,096</b>	<b>543,106</b>
<b>Liabilities:</b>		
Accounts Payable	8,773	85,548
Intergovernmental Payable	3,939	124
Due to Students	0	454,034
Interfund Loan Payable	0	3,400
<b>Total Liabilities</b>	<b>12,712</b>	<b>543,106</b>
<b>Net Assets:</b>		
Unrestricted	1,263,384	0
<b>Total Net Assets</b>	<b>\$ 1,263,384</b>	<b>\$ 0</b>

See accompanying notes to the basic financial statements

**TOLEDO CITY SCHOOL DISTRICT**

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**Statement of Changes in Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2004**

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	Private Purpose Trust
	<u>Special Trust Fund</u>
<b>Additions:</b>	
Contributions:	
Sales	\$ 35,192
Dues and Fees	5,025
Private Donations	<u>156,343</u>
Total Contributions	<u>196,560</u>
Investment Earnings:	
Interest	1,295
Net Increase in the Fair Value of Investments	<u>12,484</u>
Total Investment Earnings	<u>13,779</u>
Total Additions	<u>210,339</u>
<b>Deductions:</b>	
Administrative Expenses	<u>87,475</u>
Total Deductions	<u>87,475</u>
Change in Net Assets	122,864
Net Assets at Beginning of Year	<u>1,140,520</u>
Net Assets End of Year	<u>\$ 1,263,384</u>

See accompanying notes to the basic financial statements

***TOLEDO CITY SCHOOL DISTRICT***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the School District's instructional support facilities staffed by approximately 3,348 noncertified and approximately 1,816 certified teaching personnel and administrative employees providing education to 34,316 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the application of the above criteria for a component unit, and the criteria for defining joint ventures set forth under section J50.102 of the 2003 Codification there are no component units or "Joint Ventures." Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings. The District is the sponsor of the Brigadoon, Polly Fox, Phoenix Academies and the Toledo School for the Arts, all community school established under Chapter 3314 of the Ohio Revised Code. These community schools are not considered part of the District.

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

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

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

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

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

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

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

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

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

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

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The District uses internal service funds to account for employee health insurance and workers’ compensation.

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

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

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

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

Current property taxes measurable at June 30, 2004, and which are not intended to finance fiscal 2004 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2004 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

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

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

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

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

**E. Budgetary Process**

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

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

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

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process** (Continued)

###### **1. Tax Budget**

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

###### **2. Estimated Resources**

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final Amended Official Certificate of Estimated Resources issued during fiscal year 2004.

###### **3. Appropriations**

A Temporary Appropriation Measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An Annual Appropriation Resolution must be passed by October 1 of each year for the period July 1 through June 30. The Appropriation Resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications. Pursuant to the provisions of Section 323.17, Ohio Revised Code, an exception to the October 1 filing deadline is permitted when the delivery of a tax duplicate, from the County Auditor, is delayed. For fiscal year 2004, the Board of Education, following receipt of a delayed tax duplicate from the County Auditor, passed the annual certification on February 25, 2004.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**4. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**5. Budgetary Basis of Accounting**

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

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

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$6,723,618)
Increase (Decrease):	
Accrued Revenues at June 30, 2004, received during FY 2005	(8,245,692)
Accrued Revenues at June 30, 2003, received during FY 2004	8,181,433
Accrued Expenditures at June 30, 2004, paid during FY 2005	35,714,004
Accrued Expenditures at June 30, 2003, paid during FY 2004	(37,894,692)
2004 Adjustment to Fair Value	4,530
Encumbrances Outstanding	<u>(9,556,731)</u>
Budget Basis	<u>(\$18,520,766)</u>

***TOLEDO CITY SCHOOL DISTRICT***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Investments**

Cash received by the District is deposited in one of six banks with individual fund balance integrity maintained throughout. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term cash equivalent investments, which are stated at cost. In accordance with 2450.106 of the 2003 GASB Codification on reporting cash flows of Proprietary Funds, cash equivalents are defined as investments of the cash management pool and short term, highly liquid investments that are readily convertible to cash and so near to maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of less than three months are considered to meet this definition; otherwise they are shown as "investments" for these funds. At June 30, 2004, there were no investment balances as defined under section 2450.106 of the 2003 GASB Codification.

During fiscal year 2004, investment purchases were exclusively limited to Repurchase Agreements, Star Ohio, Commercial Paper, Banker's Acceptance, U.S. Treasury Obligations, U.S. Agency Issues, Interest Bearing Savings Accounts and a Money Market Mutual Fund. Except for participating interest earning investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase and non-participating interest earning investment contracts, investments are reported at market. All remaining investments are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to certain trust funds and according to Board resolution. The District's investments are affected by market change; therefore, they are participating. Interest revenue

The District has invested funds in the STAR Ohio during 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2004.

The District invests inactive funds of deposit accounts maintained at the school building level (School Building Support, Vocational Rotary, and Administratively Managed Student Activity Funds) and distributes, from the General Fund, interest earned on these funds to the individual accounts. The District also invests inactive funds in the Auxiliary Services Program Fund, the school Facilities Maintenance Fund, the Locally Funded Initiatives Fund, the Classroom Facilities Fund and distributes interest earned directly to the funds. See Note 5, "Cash, Cash Equivalents and Investments."

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Investments (Continued)**

From July 1, 2003, the investment portfolio exhibited an increase in par value of approximately \$29 million, while the average maturity increased by 68 days and the average yield increased by 38 basis points (.38%). The increase in par value was directly attributable to the investment of bond proceeds related to the Ohio School Facilities Commission Building Project. Interest earnings since July 1, 2003, were up approximately 3% as the interest rate environment remained neutral but more dollars were available for investment.

**G. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During the fiscal year 2004, the balance in the Budget Stabilization reserve was \$3,700,671.

**H. Inventory**

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

**I. Capital Assets and Depreciation**

**1. Property, Plant and Equipment - Governmental Activities**

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

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

**2. Depreciation**

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Long-Term Obligations**

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

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

**K. Compensated Absences and Salary Related Payments**

The District has implemented the provisions of Section C60 of the 2003 GASB Codification. Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the District has identified as probable of receiving payment in the future and other salary related payments. The amount is based on accumulated sick leave and employee's wage rates at year-end, taking into consideration any limits specified in the District's severance policy. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, the current portion of "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

**L. Net Assets**

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

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Pensions**

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

**N. Intergovernmental Revenues**

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

**O. Interfund Activity**

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

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

**P. Reservations of Fund Balance**

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

**Q. Estimates**

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

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2004.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation Of Certain Differences Between The Governmental Fund Balance Sheet And The Government-Wide Statement Of Net Assets**

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

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

Delinquent Tax Revenue	\$11,387,776
Grants Receivable	613,073,130
Interest Receivable	200,404
Unamortized Bond Issuance Costs	1,196,870
	<u>\$625,858,180</u>

*Long-Term liabilities not reported in the funds:*

Accrued Interest Payable on G.O. Bond Payable	(\$614,981)
SERS Payable	(3,482,497)
SERS Surcharge Payable	(956,987)
Long-Term Note Payable	(133,506)
G.O. Bonds Payable	(171,679,762)
Capital Leases Payable	(828,655)
Compensated Absences Payable	(43,806,275)
	<u>(\$221,502,663)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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

**B. Explanation Of Certain Differences Between The Governmental Fund Statement Of Revenues, Expenditures, And Changes In Fund Balances And The Government-Wide Statement Of Activities**

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

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

Capital Outlay	\$14,525,658
Depreciation Expense	<u>(4,070,828)</u>
	\$10,454,830

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$6,875,607
Decrease in Grants Receivable	(10,190,026)
Increase in Interest Receivable	<u>200,404</u>
	(\$3,114,015)

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

Long-Term Note Principal Payment	\$93,000
Capital Lease Payments	1,212,011
G.O. Bond Principal Payment	8,300,000
G.O. Bonds Issued	(103,600,000)
Premium on G.O. Bonds Issued	(2,449,918)
Amortize Premium on G.O. Bonds Issued	<u>197,934</u>
	(\$96,246,973)

*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$1,956,088
Increase in Long-Term Pension Liability	(456,050)
Amortization of Bond Issuance Costs	<u>(60,954)</u>
	\$1,439,084

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 3 – RESTATEMENT OF NET ASSETS**

**Restatement of Net Assets** – During 2004, the District determined that Ohio School Facilities Commission grants receivable for the construction of new school facilities were understated in the Governmental Activities on the Statement of Net Assets. The effect of this restatement on the Net Assets of the Governmental Activities as of July 1, 2003 is as follows:

	<u>Governmental Activities</u>
Net Assets Balance at June 30, 2003 as reported	\$24,005,267
Grants Receivable	<u>609,840,159</u>
Net Assets Balance at June 30, 2003 as restated	<u><u>\$633,845,426</u></u>

The effect on the Change in Net Assets of the Governmental Activities as previously reported for the year ended June 30, 2003 is as follows:

	<u>Governmental Activities</u>
Change in Net Assets as Previously Reported - for the Year Ended June 30, 2003	(\$8,833,542)
Restatement of Grants Receivable	<u>609,840,159</u>
Change in Net Assets as Restated - for the Year Ended June 30, 2003	<u><u>\$601,006,617</u></u>

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at June 30, 2004 of \$9,333,928 in the General Fund, \$524,491 in the Other Grants Fund, \$3,171,551 in the Pupil Impact Aid Fund, \$19,513 in the Alternative Schools Fund, \$185,588 in the Miscellaneous State Grant Fund, \$61,914 in the Adult Basic Education Fund, \$697,218 in the Special Education Handicapped Fund, \$322,557 in the Vocational Education Fund, \$11,734 in the Title VII Bilingual Education Fund, \$240,151 in the Chapter I Fund, \$18,473 in the Chapter II Fund, \$26,688 in the EHA Preschool Handicapped Fund and \$549,385 in the Miscellaneous Federal Grants Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The accumulated deficit of \$3,076,104 in the Health Insurance Fund (internal service fund) arises from the recognition of expenses on the accrual basis of accounting, which are greater than expenses on the cash basis of accounting. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- Commercial Paper and Banker Acceptance;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of the State of Ohio, county, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent, in the District's name.
- Category 3 Uncollateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

*Investments:*

- Category 1 Insured or registered securities held by the District or its agent in the District's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Amounts available for deposit or investment are as follows:

	<u>Book Value</u>	<u>Deposits</u>	<u>Investments</u>
Pooled Cash and Cash Equivalents:			
Unrestricted	\$237,479,091	\$236,513,313	\$0
Restricted	3,700,671	3,700,671	0
Cash With Fiscal Agents	37,322	37,322	0
Reconciling Items (Net)	8,743,555	8,743,555	0
Pooled Cash and Cash Equivalents Classified as Investments	<u>0</u>	<u>(169,454,422)</u>	<u>169,454,422</u>
Total available for deposit and investment (Bank balances of deposit/carrying amounts of deposit)	<u>\$249,960,639</u>	\$79,540,439	<u>\$169,454,422</u>
Reconciling Items (Net)		<u>(8,743,555)</u>	
Carrying Amount of Deposits		<u>\$70,796,884</u>	

To facilitate better management of the Districts resources, substantially all cash is combined in pooled operating accounts. The amounts reflected as cash in the balance sheet represent the individual fund's equity in pooled cash balances. Cash in excess of current needs is invested on a pooled investment basis and earnings there from are allocated to each fund on the basis of its cash balance at the end of each month.

**A. Deposits**

The bank balance of the District's deposits with financial institutions was \$79,540,439 categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the District in its name.	\$500,000
Amount collateralized with securities held by the pledging financial institution's trust department in the District's name.	0
Un-collateralized (bank balance that is collateralized with securities held by the pledging financial institution's trust department but not in the name of the District.)	<u>79,040,439</u>
Total Deposits	<u>\$79,540,439</u>

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

The District's investments at June 30, 2004 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
U.S. Agency Securities	\$144,586,032	\$0	\$143,620,254	\$143,620,254
Commercial Paper	4,246,327	0	4,246,327	4,246,327
Repurchase Agreements	0	16,602,617	16,602,617	16,602,617
Total Categorized Investments	<u>148,832,359</u>	<u>16,602,617</u>	<u>164,469,198</u>	<u>164,469,198</u>
<u>Non-Categorized Investments</u>				
STAR Ohio	0	0	4,985,224	4,985,224
Total Non-Categorized Investments	<u>0</u>	<u>0</u>	<u>4,985,224</u>	<u>4,985,224</u>
Total Investments	<u>\$148,832,359</u>	<u>\$16,602,617</u>	<u>\$169,454,422</u>	<u>\$169,454,422</u>

The District's investments in the State Treasurer's pool (STAR Ohio) are not categorized because it is not evidenced by securities that exist in physical or book entry form. Investments in STAR Ohio are backed by the securities purchased by STAR Ohio. Historically, over 90% of investments purchased by STAR Ohio are U.S. Government Obligations and all securities purchased are held in a third party custodial arrangement on behalf of STAR Ohio. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued per share, which is the price the investment could be sold for on June 30, 2004.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2004 were levied after October 1, 2003 on assessed values as of January 1, 2003, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The most recent revaluation was completed in November 2003. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 6 - PROPERTY TAXES (Continued)**

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. In 2004, each business was eligible to receive a \$10,000 exemption in assessed value that was reimbursed by the State. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Toledo City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2003, upon which the 2002 levies were based, were as follows:

	2003 Second Half Collections	2004 First Half Collections
Real Estate	\$2,314,936,710	\$2,658,991,600
Tangible Personal and Public Utility Property	522,422,088	474,582,425
Total Assessed Value	<u>\$2,837,358,798</u>	<u>\$3,133,574,025</u>
Taxrate per \$1,000 of assessed valuation	\$67.99	\$67.60

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2004 consisted of taxes, interest receivable, accounts receivable and intergovernmental receivables.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 8 - INTERFUND RECEIVABLES/PAYABLES**

Interfund loans receivable/payable and advances to/from other funds – short-term loans at June 30, 2004 from one individual fund to another are as follows:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$2,303,509	\$0
Other Governmental Funds	0	2,300,109
Agency Fund	0	3,400
Totals	<u>\$2,303,509</u>	<u>\$2,303,509</u>

**NOTE 9 - TRANSFERS**

Following is a summary of operating transfers in and out for all funds at June 30, 2004:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$46,553	\$3,656,019
Permanent Improvement Capital Projects Fund	132,500	0
Other Governmental Funds	3,504,972	28,006
Total All Funds	<u>\$3,684,025</u>	<u>\$3,684,025</u>

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

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**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2004:

**Historical Cost:**

<u>Class</u>	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
<b>Capital assets not being depreciated:</b>				
Land	\$9,537,451	\$744,492	\$0	\$10,281,943
Construction in Progress	2,848,748	9,841,986	(499,472)	12,191,262
<b>Capital assets being depreciated:</b>				
Land Improvements	9,337,804	0	0	9,337,804
Buildings	64,777,408	450,000	0	65,227,408
Building Improvements	42,578,019	986,880	0	43,564,899
Machinery and Equipment	4,569,693	1,356,947	0	5,926,640
Vehicles	9,234,252	387,001	(273,221)	9,348,032
Total Cost	<u>\$142,883,375</u>	<u>\$13,767,306</u>	<u>(\$772,693)</u>	<u>\$155,877,988</u>

**Accumulated Depreciation:**

<u>Class</u>	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
Land Improvements	(\$7,263,753)	(\$315,123)	\$0	(\$7,578,876)
Buildings	(51,168,060)	(1,250,121)	0	(52,418,181)
Building Improvements	(25,919,903)	(1,547,270)	0	(27,467,173)
Machinery and Equipment	(2,345,611)	(592,597)	0	(2,938,208)
Vehicles	(6,824,443)	(365,717)	273,221	(6,916,939)
Total Depreciation	<u>(\$93,521,770)</u>	<u>(\$4,070,828) *</u>	<u>\$273,221</u>	<u>(\$97,319,377)</u>

**Net Value:** \$49,361,605 \$58,558,611

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$2,678,840
Support Services	899,548
Non-Instructional Services	279,508
Extracurricular Activities	212,932
Total Depreciation Expense	<u>\$4,070,828</u>

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirement of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS's Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003 and 2002 were \$6,478,364, \$6,744,050, and \$6,621,108, respectively; 28.33% has been contributed for fiscal year 2004 and 100% for fiscal years 2003 and 2002.

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

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

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

**TOLEDO CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employees. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employers contributions.

The District's required contributions for pension obligations for the years ending June 30, 2004, 2003, and 2002 were \$23,123,243, \$24,950,260, and \$13,910,092, respectively; 82.53% has been contributed for fiscal year 2004 and 100% for fiscal years 2003 and 2002.

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS**

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

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

For the fiscal year ended June 30, 2004, employer contribution to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year ended 2004 the minimum pay has been established at \$25,400. For the District, the amount to fund health care benefits, including the surcharge, equaled \$3,229,042 for the fiscal year ended June 30, 2004.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

Health Care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 (latest information available) were \$204.9 million and the target level was \$307.4 million. At June 30, 2003, the Retirement System's net assets available for payment of health care benefits was \$303.6 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

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

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

The State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of monthly premiums. By law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year June 30, 2004, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$1,651,660 for the fiscal year ended June 30, 2004.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$2,797 billion at June 30, 2003 (the latest information available). For fiscal year ended June 30, 2003 net health care costs paid by STRS Ohio were \$352,301,000. There were 108,294 eligible benefit recipients.

**NOTE 13 - NOTE PAYABLE**

Note Payable activity of the District for the year ended June 30, 2004, was as follows:

Notes Payable		Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
School Facility Improvement					
Bond Anticipation Note	2.00%	\$72,500,000	\$0	(\$72,500,000)	\$0
		<u>\$72,500,000</u>	<u>\$0</u>	<u>(\$72,500,000)</u>	<u>\$0</u>

In fiscal year 2003, the District issued Bond Anticipation Notes in the amount of \$72,500,000 to finance school facility building improvements.

**TOLEDO CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

**NOTE 14- LONG-TERM DEBT**

Long-term debt of the District at June 30, 2004 was as follows:

Description	Balance June 30, 2003	Issued	(Retired)	Balance June 30, 2004	Amount Due Within One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bond:</u>					
School Facility Improvement					
GO. Bond (2.00% - 5.00%)	\$72,500,000	\$0	(\$8,300,000)	\$64,200,000	\$8,200,000
Premium General Obligation Bond	1,627,778	0	(116,270)	1,511,508	58,135
School Facility Improvement					
GO. Bond (2.00% - 5.00%)	0	103,600,000	0	103,600,000	0
Premium General Obligation Bond	0	2,449,918	(81,664)	2,368,254	81,664
Total General Obligation Bond	74,127,778	106,049,918	(8,497,934)	171,679,762	8,339,799
<u>General Obligation Long-Term Note:</u>					
1987 EPA Promissory Note - 0.00%	226,506	0	(93,000)	133,506	93,000
<u>Obligations Under Capital Lease:</u>					
Governmental Activities	2,040,666	0	(1,212,011)	828,655	406,890
<u>Other Obligations:</u>					
Compensated Absences	45,762,364	5,617,820	(7,573,909)	43,806,275	327,916
Long-Term Debt and Other Long-Term Obligations	<u>\$122,157,314</u>	<u>\$111,667,738</u>	<u>(\$17,376,854)</u>	<u>\$216,448,198</u>	<u>\$9,167,605</u>

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

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

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**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 14- LONG-TERM DEBT (Continued)**

A summary of the District's future long-term debt funding requirements for the long-term note and general obligation bond payable, including principal and interest payments as of June 30, 2004, follows:

<u>General Obligation Long-Term Note / Bond Payable</u>			
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$8,293,000	\$7,297,779	\$15,590,779
2006	3,240,506	7,183,779	10,424,285
2007	3,265,000	7,119,129	10,384,129
2008	3,330,000	7,047,877	10,377,877
2009	3,415,000	6,964,899	10,379,899
2010-2014	18,755,000	33,117,316	51,872,316
2015-2019	23,200,000	28,447,857	51,647,857
2020-2024	29,755,000	21,786,780	51,541,780
2025-2029	38,210,000	13,405,283	51,615,283
2030-2033	36,470,000	3,518,444	39,988,444
Totals	<u>\$167,933,506</u>	<u>\$135,889,143</u>	<u>\$303,822,649</u>

**NOTE 15 - CAPITAL LEASE COMMITMENTS**

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

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2004

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2005	\$477,808
2006	234,718
2007	<u>234,718</u>
Minimum Lease Payments	947,244
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(118,589)</u>
Present value of minimum lease payments	<u>\$828,655</u>

## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004***

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#### **NOTE 16 - CONSTRUCTION COMMITMENTS**

The School District and the Ohio School Facilities Commission (OSFC) entered into a Master Facilities Plan that calls for (1) the construction of 39 new elementary schools, 12 new middle schools, 5 new high schools and 1 combined elementary/middle school and (2) the renovation of 3 elementary schools, a combined middle school/high school, 2 high schools and an aviation education center. The District and the OSFC currently estimate the total budget for the project is \$797,817,229. To date the District has expended \$12,191,262 in Construction in Progress costs.

#### **NOTE 17 - ENDOWMENTS**

The Toledo City School District has various endowments/trusts whereby the original endowment/trust agreement restricts the principal for specified purposes. For the year ended June 30, 2004, the net appreciation on investments of donor-restricted endowments was (\$14,559). Under the terms of the endowment/trust, and consistent with State statutes, the District is authorized to spend the net appreciation from the trust for any disbursements that are consistent with the original trust agreement. At June 30, 2004, accumulated available net appreciation of \$332,703 is reported in unrestricted net assets.

#### **NOTE 18 - RISK MANAGEMENT**

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

In accordance with section C50.141 of the 2003 GASB Codification, estimated liabilities are accrued in all Self-Insurance funds for the value of current outstanding claims and claims incurred but not reported (IBNR). Annual actuarial studies are performed for the Employee Benefit Self Insurance and Workers Compensation Funds to determine the recommended funding levels for related risk areas. The claims liability of \$11,154,000 (Accrued Wages and Benefits) reported in the Employee Benefit Self - Insurance Fund and \$824,806 (Intergovernmental Payable) in the Workers Compensation Self-Insurance Fund is based on the requirements of Government Accounting Standards Board Statement 10 as amended by Government Accounting Standards Board Statement 30. This statement requires that a liability for claims be reported if information indicates, prior to the issuance of the financial statements, that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**TOLEDO CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004**

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**NOTE 18 - RISK MANAGEMENT (Continued)**

Changes in the fund's claims liability amount in 2003 and 2004 were:

<u>Fiscal Year</u>	<u>Unpaid Claims Beginning of Fiscal Year</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>Unpaid Claims Ending of Fiscal Year</u>
2003	\$12,502,110	44,731,363	(44,684,601)	\$12,548,872
2004	12,548,872	48,759,859	(49,329,925)	11,978,806

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

**NOTE 19 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2004, the reserve activity (cash-basis) was as follows:

	<u>Materials and Supplies</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>	<u>Total</u>
Set-aside Balance as of June 30, 2003	(\$3,690,812)	(\$7,888,651)	\$5,340,671	(\$6,238,792)
Current Year Set-Aside Requirement	5,243,830	5,243,830	0	10,487,660
Current Year Offset Credits	0	(4,360,894)	0	(4,360,894)
Qualifying Disbursements	(8,530,545)	(11,167,736)	(1,640,000)	(21,338,281)
Total	<u>(\$6,977,527)</u>	<u>(\$18,173,451)</u>	<u>\$3,700,671</u>	<u>(\$21,450,307)</u>
Set-aside Balance Carried Forward to FY2005	<u>\$0</u>	<u>\$0</u>	<u>\$3,700,671</u>	<u>\$3,700,671</u>

**NOTE 19 – STATUTORY RESERVES**

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

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004***

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**NOTE 20 - CONTINGENCIES**

**A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2004.

**B. Litigation**

The District is a party to several legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2004. The District's management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the District.

**C. State School Funding**

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

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

**NOTE 21 – SUBSEQUENT EVENT**

On November 2, 2004, District's taxpayers approved the renewal of a 5.00 mill current expense levy. This levy was for a period of five years expiring in the year 2009.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Food Service Fund**

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

**Uniform School Supplies Fund**

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

**Vocational Rotary Fund**

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

**Adult Education Fund**

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

**School Building Support Fund**

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

**Other Grants Fund**

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

**School Facilities Maintenance Fund**

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

**Administratively Managed Student Activity Fund**

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

(Continued)

***Special Revenue Funds***

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**Auxiliary Services Fund**

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

**Post Secondary Vocational Education Fund**

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

**Teacher Development Fund**

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

**Excellence in Education Fund**

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

**Management Information System Fund**

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

**Public School Preschool Fund**

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

**Disadvantaged Pupil Impact Aid Fund**

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

**Data Communication Fund**

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

**SchoolNet Professional Development Fund**

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

**Special Education Funding for Collaborative Efforts Fund**

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

(Continued)

***Special Revenue Funds***

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**OhioReads Grant Fund**

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

**Vocational Education Enhancement Fund**

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

**Alternative Schools Fund**

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

**Miscellaneous State Fund**

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

**Adult Basic Education Fund**

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

**Title I – Migrant Education Fund**

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

**Special Education Handicapped Fund**

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

(Continued)

***Special Revenue Funds***

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**Vocational Education Fund**

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

**Title VII Bilingual Education Program Fund**

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

**Chapter 1 Fund**

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

**Chapter 2 Fund**

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

**Drug-Free Schools Fund**

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

**Preschool Grants for the Handicapped Fund**

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

**Telecommunications Act Grant Fund**

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

**Reducing Class Size Fund**

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

**Miscellaneous Federal Grants Fund**

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

***Capital Projects Funds***

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

**Locally Funded Initiative Fund**

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

**SchoolNet Fund**

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

**Technology Equity Grant Fund**

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

**Special Capital Projects Fund**

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

***Permanent Fund***

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

**Endowments Fund**

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

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 10,341,536	\$ 23,724,679	\$ 830,467	\$ 34,896,682
Receivables:				
Taxes	823,325	0	0	823,325
Accounts	145,320	0	0	145,320
Intergovernmental	15,582,621	19,500	0	15,602,121
Interest	19,534	297,120	2,797	319,451
Materials and Supplies Inventory	166,243	0	0	166,243
Inventory Held for Resale	149,334	0	0	149,334
<b>Total Assets</b>	<b>\$ 27,227,913</b>	<b>\$ 24,041,299</b>	<b>\$ 833,264</b>	<b>\$ 52,102,476</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,654,817	\$ 2,154,529	\$ 125	\$ 4,809,471
Accrued Wages and Benefits	5,983,635	0	0	5,983,635
Intergovernmental Payable	1,216,443	1,555,000	1,000	2,772,443
Interfund Loans Payable	2,300,109	0	0	2,300,109
Deferred Revenue	16,050,547	19,500	0	16,070,047
<b>Total Liabilities</b>	<b>28,205,551</b>	<b>3,729,029</b>	<b>1,125</b>	<b>31,935,705</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	1,992,355	3,854,839	1,000	5,848,194
Reserved for Supplies Inventory	315,577	0	0	315,577
Reserved for Property Taxes	45,308	0	0	45,308
Reserved for Endowments	0	0	502,291	502,291
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(3,330,878)	0	0	(3,330,878)
Capital Projects Funds	0	16,457,431	0	16,457,431
Permanent Fund	0	0	328,848	328,848
<b>Total Fund Balances</b>	<b>(977,638)</b>	<b>20,312,270</b>	<b>832,139</b>	<b>20,166,771</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 27,227,913</b>	<b>\$ 24,041,299</b>	<b>\$ 833,264</b>	<b>\$ 52,102,476</b>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 1,068,191	\$ 0	\$ 0	\$ 1,068,191
Tuition	1,195,035	0	0	1,195,035
Food Services	2,355,774	0	0	2,355,774
Investment Earnings	54,145	392,502	10,394	457,041
Extracurricular Activities	1,546,319	0	0	1,546,319
Class Materials and Fees	217,494	0	0	217,494
Intermediate Sources	34,561	0	0	34,561
Intergovernmental - State	32,862,802	5,768,150	0	38,630,952
Intergovernmental - Federal	42,361,215	0	0	42,361,215
All Other Revenue	444,550	0	0	444,550
<b>Total Revenue</b>	<b>82,140,086</b>	<b>6,160,652</b>	<b>10,394</b>	<b>88,311,132</b>
<b>Expenditures:</b>				
Current:				
Instruction	44,193,442	0	537	44,193,979
Supporting Services	22,478,925	1,106,516	27,271	23,612,712
Operation of Non-Instructional Services	17,663,837	0	0	17,663,837
Extracurricular Activities	1,597,631	0	0	1,597,631
Capital Outlay	2,215	7,795,994	0	7,798,209
<b>Total Expenditures</b>	<b>85,936,050</b>	<b>8,902,510</b>	<b>27,808</b>	<b>94,866,368</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,795,964)	(2,741,858)	(17,414)	(6,555,236)
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	14,602,000	0	14,602,000
Transfers In	3,504,972	0	0	3,504,972
Transfers Out	(28,006)	0	0	(28,006)
<b>Total Other Financing Sources (Uses)</b>	<b>3,476,966</b>	<b>14,602,000</b>	<b>0</b>	<b>18,078,966</b>
Net Change in Fund Balance	(318,998)	11,860,142	(17,414)	11,523,730
<b>Fund Balances at Beginning of Year</b>	<b>(658,640)</b>	<b>8,452,128</b>	<b>849,553</b>	<b>8,643,041</b>
<b>Fund Balances End of Year</b>	<b>\$ (977,638)</b>	<b>\$ 20,312,270</b>	<b>\$ 832,139</b>	<b>\$ 20,166,771</b>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2004**

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,230	\$ 36,368	\$ 205,552	\$ 201,548
Receivables:				
Taxes	0	0	0	0
Accounts	1,766	3,189	1,207	122,763
Intergovernmental	55,570	0	0	30,333
Interest	0	0	692	0
Materials and Supplies Inventory	166,243	0	0	0
Inventory Held for Resale	149,334	0	0	0
<b>Total Assets</b>	<b>\$ 382,143</b>	<b>\$ 39,557</b>	<b>\$ 207,451</b>	<b>\$ 354,644</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 9,786	\$ 16,105	\$ 9,234	\$ 29,317
Accrued Wages and Benefits	174,244	0	0	55,661
Intergovernmental Payable	71,688	0	7,568	25,207
Interfund Loans Payable	52,955	0	0	162,443
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>308,673</b>	<b>16,105</b>	<b>16,802</b>	<b>272,628</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	4,059	18,566	8,012	1,438
Reserved for Supplies Inventory	315,577	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(246,166)	4,886	182,637	80,578
<b>Total Fund Balances (Deficit)</b>	<b>73,470</b>	<b>23,452</b>	<b>190,649</b>	<b>82,016</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 382,143</b>	<b>\$ 39,557</b>	<b>\$ 207,451</b>	<b>\$ 354,644</b>

**TOLEDO CITY SCHOOL DISTRICT**

School Building Support	Other Grants	School Facilities Maintenance	Administratively Managed Student Activity	Auxiliary Services Program	Post Secondary Vocational Education
\$ 890,390	\$ 92,313	\$ 1,948,416	\$ 376,600	\$ 1,505,360	\$ 1,270
0	0	823,325	0	0	0
2,802	11,731	0	1,506	0	0
0	0	0	0	0	0
2,999	0	10,584	1,268	3,991	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 896,191</u>	<u>\$ 104,044</u>	<u>\$ 2,782,325</u>	<u>\$ 379,374</u>	<u>\$ 1,509,351</u>	<u>\$ 1,270</u>
\$ 61,979	\$ 240,155	\$ 1,788	\$ 36,703	\$ 706,707	\$ 0
0	64,092	0	35	276,582	0
0	10,045	0	716	54,566	0
0	314,243	0	0	98,924	0
0	0	860,686	0	0	0
<u>61,979</u>	<u>628,535</u>	<u>862,474</u>	<u>37,454</u>	<u>1,136,779</u>	<u>0</u>
28,038	18,001	0	8,272	499,086	0
0	0	0	0	0	0
0	0	45,308	0	0	0
<u>806,174</u>	<u>(542,492)</u>	<u>1,874,543</u>	<u>333,648</u>	<u>(126,514)</u>	<u>1,270</u>
<u>834,212</u>	<u>(524,491)</u>	<u>1,919,851</u>	<u>341,920</u>	<u>372,572</u>	<u>1,270</u>
<u>\$ 896,191</u>	<u>\$ 104,044</u>	<u>\$ 2,782,325</u>	<u>\$ 379,374</u>	<u>\$ 1,509,351</u>	<u>\$ 1,270</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2004**

	Excellence in Education	Management Information System	Public School Preschool	Disadvantaged Pupil Impact Aid
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 48,551	\$ 139,357	\$ 7,306	\$ 45,979
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	174
Intergovernmental	320	0	9,021	0
Interest	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<u>\$ 48,871</u>	<u>\$ 139,357</u>	<u>\$ 16,327</u>	<u>\$ 46,153</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 43,412	\$ 49,933	\$ 0	\$ 0
Accrued Wages and Benefits	1,871	5,567	13,698	2,699,860
Intergovernmental Payable	1,063	3,707	2,438	517,844
Interfund Loans Payable	0	0	0	0
Deferred Revenue	320	0	0	0
<b>Total Liabilities</b>	<u>46,666</u>	<u>59,207</u>	<u>16,136</u>	<u>3,217,704</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	9,087	10,815	0	45,980
Reserved for Supplies Inventory	0	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(6,882)	69,335	191	(3,217,531)
<b>Total Fund Balances (Deficit)</b>	<u>2,205</u>	<u>80,150</u>	<u>191</u>	<u>(3,171,551)</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 48,871</u>	<u>\$ 139,357</u>	<u>\$ 16,327</u>	<u>\$ 46,153</u>

**TOLEDO CITY SCHOOL DISTRICT**

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<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Special Education Funding for Collaborative Efforts</u>	<u>Ohio Reads Grant</u>	<u>Vocational Education Enhancement</u>
\$ 0	\$ 6,580	\$ 21,326	\$ 171,230	\$ 26,775
0	0	0	0	0
0	0	0	0	0
40,277	1,250	23,948	0	12,206
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 40,277</u>	<u>\$ 7,830</u>	<u>\$ 45,274</u>	<u>\$ 171,230</u>	<u>\$ 38,981</u>
\$ 0	\$ 0	\$ 0	\$ 50,981	\$ 23,357
0	0	3,146	9,008	2,462
0	0	764	785	1,030
0	0	0	0	1,055
40,277	1,250	23,948	0	6,360
<u>40,277</u>	<u>1,250</u>	<u>27,858</u>	<u>60,774</u>	<u>34,264</u>
0	0	0	101,326	1,557
0	0	0	0	0
0	0	0	0	0
0	6,580	17,416	9,130	3,160
0	6,580	17,416	110,456	4,717
<u>\$ 40,277</u>	<u>\$ 7,830</u>	<u>\$ 45,274</u>	<u>\$ 171,230</u>	<u>\$ 38,981</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2004**

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	Alternative Schools	Miscellaneous State	Adult Basic Education	Title I Migrant Education
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 27,410	\$ 550,022	\$ 11,943	\$ 15,391
Receivables:				
Taxes	0	0	0	0
Accounts	0	96	0	0
Intergovernmental	61,807	1,161,361	268,570	0
Interest	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<u>\$ 89,217</u>	<u>\$ 1,711,479</u>	<u>\$ 280,513</u>	<u>\$ 15,391</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 7,936	\$ 421,116	\$ 161	\$ 2,690
Accrued Wages and Benefits	31,513	74,756	64,024	1,062
Intergovernmental Payable	7,474	22,733	9,672	514
Interfund Loans Payable	0	359,374	0	0
Deferred Revenue	61,807	1,019,088	268,570	0
<b>Total Liabilities</b>	<u>108,730</u>	<u>1,897,067</u>	<u>342,427</u>	<u>4,266</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	984	259,097	0	9,092
Reserved for Supplies Inventory	0	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(20,497)	(444,685)	(61,914)	2,033
<b>Total Fund Balances (Deficit)</b>	<u>(19,513)</u>	<u>(185,588)</u>	<u>(61,914)</u>	<u>11,125</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 89,217</u>	<u>\$ 1,711,479</u>	<u>\$ 280,513</u>	<u>\$ 15,391</u>

**TOLEDO CITY SCHOOL DISTRICT**

Special Education Handicapped	Vocational Education	Title VII Bilingual Education	Chapter I	Chapter II	Drug Free School
\$ 122,343	\$ 395,969	\$ 29,201	\$ 1,988,248	\$ 87,247	\$ 19,169
0	0	0	0	0	0
0	0	86	0	0	0
1,068,562	431,586	168,061	4,873,916	830,703	124,037
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 1,190,905</u>	<u>\$ 827,555</u>	<u>\$ 197,348</u>	<u>\$ 6,862,164</u>	<u>\$ 917,950</u>	<u>\$ 143,206</u>
\$ 64,753	\$ 200,560	\$ 26,741	\$ 455,254	\$ 50,818	\$ 4,197
333,740	90,723	8,512	1,490,550	44,402	8,229
68,124	17,317	1,816	268,932	10,500	3,718
352,944	409,926	3,952	32,133	0	0
1,068,562	431,586	168,061	4,855,446	830,703	124,037
<u>1,888,123</u>	<u>1,150,112</u>	<u>209,082</u>	<u>7,102,315</u>	<u>936,423</u>	<u>140,181</u>
83,878	191,730	7,936	171,209	3,550	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(781,096)</u>	<u>(514,287)</u>	<u>(19,670)</u>	<u>(411,360)</u>	<u>(22,023)</u>	<u>3,025</u>
<u>(697,218)</u>	<u>(322,557)</u>	<u>(11,734)</u>	<u>(240,151)</u>	<u>(18,473)</u>	<u>3,025</u>
<u>\$ 1,190,905</u>	<u>\$ 827,555</u>	<u>\$ 197,348</u>	<u>\$ 6,862,164</u>	<u>\$ 917,950</u>	<u>\$ 143,206</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2004**

	Preschool Grants for the Handicapped	Telecom- munications Act Grant	Reducing Class Size	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 154	\$ 420,607	\$ 635,756	\$ 303,925	\$ 10,341,536
Receivables:					
Taxes	0	0	0	0	823,325
Accounts	0	0	0	0	145,320
Intergovernmental	22,070	0	4,351,751	2,047,272	15,582,621
Interest	0	0	0	0	19,534
Materials and Supplies Inventory	0	0	0	0	166,243
Inventory Held for Resale	0	0	0	0	149,334
<b>Total Assets</b>	<u>\$ 22,224</u>	<u>\$ 420,607</u>	<u>\$ 4,987,507</u>	<u>\$ 2,351,197</u>	<u>\$ 27,227,913</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 33	\$ 0	\$ 28,655	\$ 112,446	\$ 2,654,817
Accrued Wages and Benefits	22,186	0	290,867	216,845	5,983,635
Intergovernmental Payable	3,004	0	68,956	36,262	1,216,443
Interfund Loans Payable	1,619	0	0	510,541	2,300,109
Deferred Revenue	22,070	0	4,243,288	2,024,488	16,050,547
<b>Total Liabilities</b>	<u>48,912</u>	<u>0</u>	<u>4,631,766</u>	<u>2,900,582</u>	<u>28,205,551</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	153	200,683	171,420	138,386	1,992,355
Reserved for Supplies Inventory	0	0	0	0	315,577
Reserved for Property Taxes	0	0	0	0	45,308
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	(26,841)	219,924	184,321	(687,771)	(3,330,878)
<b>Total Fund Balances (Deficit)</b>	<u>(26,688)</u>	<u>420,607</u>	<u>355,741</u>	<u>(549,385)</u>	<u>(977,638)</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 22,224</u>	<u>\$ 420,607</u>	<u>\$ 4,987,507</u>	<u>\$ 2,351,197</u>	<u>\$ 27,227,913</u>

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	1,181,771
Investment Earnings	0	0	2,740	0
Food Service	2,355,774	0	0	0
Extracurricular Activities	0	2,298	292,825	0
Classroom Materials and Fees	0	201,664	0	0
Intermediate Sources	0	0	0	0
State Sources	342,635	0	0	313,526
Federal Sources	6,483,915	0	0	0
Miscellaneous Revenue	78,582	0	4,344	0
<b>Total Revenue</b>	<b>9,260,906</b>	<b>203,962</b>	<b>299,909</b>	<b>1,495,297</b>
<b>Expenditures:</b>				
Current:				
Instruction	0	220,077	317,803	1,544,071
Support Services	155,870	0	0	86,495
Non-Instructional Services	12,061,504	0	0	11,546
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>12,217,374</b>	<b>220,077</b>	<b>317,803</b>	<b>1,642,112</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,956,468)	(16,115)	(17,894)	(146,815)
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,862,281	35,585	2,575	21,804
Transfers Out	0	(4,743)	(11,100)	0
<b>Total Other Financing Sources (Uses)</b>	<b>2,862,281</b>	<b>30,842</b>	<b>(8,525)</b>	<b>21,804</b>
Net Change in Fund Balance	(94,187)	14,727	(26,419)	(125,011)
<b>Fund Balances at Beginning of Year</b>	<b>167,657</b>	<b>8,725</b>	<b>217,068</b>	<b>207,027</b>
<b>Fund Balances End of Year</b>	<b>\$ 73,470</b>	<b>\$ 23,452</b>	<b>\$ 190,649</b>	<b>\$ 82,016</b>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

	School Building Support	Other Grants	School Facilities Maintenance	Administratively Managed Student Activity
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 1,068,191	\$ 0
Tuition	0	0	0	0
Investment Earnings	12,069	0	16,191	5,273
Food Service	0	0	0	0
Extracurricular Activities	643,817	0	0	607,379
Classroom Materials and Fees	0	0	0	15,830
Intermediate Sources	0	36,595	0	0
State Sources	0	0	157,430	0
Federal Sources	0	0	0	56
Miscellaneous Revenue	124,159	208,482	0	28,983
<b>Total Revenue</b>	<b>780,045</b>	<b>245,077</b>	<b>1,241,812</b>	<b>657,521</b>
<b>Expenditures:</b>				
Current:				
Instruction	104,624	64,757	0	0
Support Services	16,103	861,183	19,728	370
Non-Instructional Services	0	0	0	0
Extracurricular Activities	725,420	189	0	872,022
Capital Outlay	0	0	2,215	0
<b>Total Expenditures</b>	<b>846,147</b>	<b>926,129</b>	<b>21,943</b>	<b>872,392</b>
Excess (Deficiency) of Revenues Over Expenditures	(66,102)	(681,052)	1,219,869	(214,871)
<b>Other Financing Sources (Uses):</b>				
Transfers In	112,681	0	0	209,754
Transfers Out	(9,348)	0	0	(2,815)
<b>Total Other Financing Sources (Uses)</b>	<b>103,333</b>	<b>0</b>	<b>0</b>	<b>206,939</b>
Net Change in Fund Balance	37,231	(681,052)	1,219,869	(7,932)
<b>Fund Balances at Beginning of Year</b>	<b>796,981</b>	<b>156,561</b>	<b>699,982</b>	<b>349,852</b>
<b>Fund Balances End of Year</b>	<b>\$ 834,212</b>	<b>\$ (524,491)</b>	<b>\$ 1,919,851</b>	<b>\$ 341,920</b>

**TOLEDO CITY SCHOOL DISTRICT**

Auxiliary Services Program	Post Secondary Vocational Education	Teacher Development	Excellence in Education	Management Information System	Public School Preschool
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	12,450
18,613	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,520,315	20,700	0	75,000	300,525	216,985
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,538,928</u>	<u>20,700</u>	<u>0</u>	<u>75,000</u>	<u>300,525</u>	<u>229,435</u>
158,562	19,013	0	43,020	0	8,640
(22,578)	0	(473)	38,540	395,112	241,655
4,295,641	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,431,625</u>	<u>19,013</u>	<u>(473)</u>	<u>81,560</u>	<u>395,112</u>	<u>250,295</u>
107,303	1,687	473	(6,560)	(94,587)	(20,860)
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
107,303	1,687	473	(6,560)	(94,587)	(20,860)
<u>265,269</u>	<u>(417)</u>	<u>(473)</u>	<u>8,765</u>	<u>174,737</u>	<u>21,051</u>
<u>\$ 372,572</u>	<u>\$ 1,270</u>	<u>\$ 0</u>	<u>\$ 2,205</u>	<u>\$ 80,150</u>	<u>\$ 191</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

	Disadvantaged Pupil Impact Aid	Data Communication	SchoolNet Professional Development	Special Education Funding for Collaborative Efforts
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0
Investment Earnings	0	0	0	0
Food Service	0	0	0	0
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
Intermediate Sources	0	0	0	0
State Sources	24,193,934	269,277	11,250	0
Federal Sources	0	0	0	0
Miscellaneous Revenue	0	0	0	0
<b>Total Revenue</b>	<b>24,193,934</b>	<b>269,277</b>	<b>11,250</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
Instruction	20,025,952	0	0	7,003
Support Services	4,377,270	287,149	20,901	0
Non-Instructional Services	180,325	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>24,583,547</b>	<b>287,149</b>	<b>20,901</b>	<b>7,003</b>
Excess (Deficiency) of Revenues Over Expenditures	(389,613)	(17,872)	(9,651)	(7,003)
<b>Other Financing Sources (Uses):</b>				
Transfers In	260,292	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>260,292</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	(129,321)	(17,872)	(9,651)	(7,003)
<b>Fund Balances at Beginning of Year</b>	<b>(3,042,230)</b>	<b>17,872</b>	<b>16,231</b>	<b>24,419</b>
<b>Fund Balances End of Year</b>	<b>\$ (3,171,551)</b>	<b>\$ 0</b>	<b>\$ 6,580</b>	<b>\$ 17,416</b>

**TOLEDO CITY SCHOOL DISTRICT**

<u>Ohio Reads Grant</u>	<u>Vocational Education Enhancement</u>	<u>Alternative Schools</u>	<u>Miscellaneous State</u>	<u>Adult Basic Education</u>	<u>Title I Migrant Education</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
381,500	109,503	413,712	1,265,893	268,570	0
0	0	0	191,673	439,591	35,863
0	0	0	0	0	0
<u>381,500</u>	<u>109,503</u>	<u>413,712</u>	<u>1,457,566</u>	<u>708,161</u>	<u>35,863</u>
193,657	8,698	272,229	1,618,481	618,108	39,022
224,918	82,357	108,122	212,453	86,894	818
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>418,575</u>	<u>91,055</u>	<u>380,351</u>	<u>1,830,934</u>	<u>705,002</u>	<u>39,840</u>
(37,075)	18,448	33,361	(373,368)	3,159	(3,977)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(37,075)	18,448	33,361	(373,368)	3,159	(3,977)
<u>147,531</u>	<u>(13,731)</u>	<u>(52,874)</u>	<u>187,780</u>	<u>(65,073)</u>	<u>15,102</u>
<u>\$ 110,456</u>	<u>\$ 4,717</u>	<u>\$ (19,513)</u>	<u>\$ (185,588)</u>	<u>\$ (61,914)</u>	<u>\$ 11,125</u>

(Continued)

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

	Special Education Handicapped	Vocational Education	Title VII Bilingual Education	Chapter I
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	86	0
Investment Earnings	0	0	0	0
Food Service	0	0	0	0
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
Intermediate Sources	0	0	0	0
State Sources	0	0	0	0
Federal Sources	6,216,289	1,330,786	27,399	20,953,664
Miscellaneous Revenue	0	0	0	0
<b>Total Revenue</b>	<b>6,216,289</b>	<b>1,330,786</b>	<b>27,485</b>	<b>20,953,664</b>
<b>Expenditures:</b>				
Current:				
Instruction	1,781,558	362,428	42,919	13,107,849
Support Services	3,964,811	689,871	1,405	6,277,823
Non-Instructional Services	171,523	0	0	814,669
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>5,917,892</b>	<b>1,052,299</b>	<b>44,324</b>	<b>20,200,341</b>
Excess (Deficiency) of Revenues Over Expenditures	298,397	278,487	(16,839)	753,323
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	298,397	278,487	(16,839)	753,323
<b>Fund Balances at Beginning of Year</b>	<b>(995,615)</b>	<b>(601,044)</b>	<b>5,105</b>	<b>(993,474)</b>
<b>Fund Balances End of Year</b>	<b>\$ (697,218)</b>	<b>\$ (322,557)</b>	<b>\$ (11,734)</b>	<b>\$ (240,151)</b>

**TOLEDO CITY SCHOOL DISTRICT**

Chapter II	Drug Free School	Preschool Grants for the Handicapped	Telecommunications Act Grant	Reducing Class Size	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,068,191
0	0	0	0	0	0	1,194,307
0	0	0	0	0	0	54,886
0	0	0	0	0	0	2,355,774
0	0	0	0	0	0	1,546,319
0	0	0	0	0	0	217,494
0	0	0	0	0	0	36,595
0	0	0	0	0	0	32,860,755
587,878	368,379	236,291	674,601	3,148,035	1,666,795	42,361,215
0	0	0	0	0	0	444,550
<u>587,878</u>	<u>368,379</u>	<u>236,291</u>	<u>674,601</u>	<u>3,148,035</u>	<u>1,666,795</u>	<u>82,140,086</u>
674,905	94,927	10,352	0	2,833,843	20,944	44,193,442
91,125	308,212	240,042	551,130	354,908	2,806,711	22,478,925
39,395	5,217	0	0	5,315	78,702	17,663,837
0	0	0	0	0	0	1,597,631
0	0	0	0	0	0	2,215
<u>805,425</u>	<u>408,356</u>	<u>250,394</u>	<u>551,130</u>	<u>3,194,066</u>	<u>2,906,357</u>	<u>85,936,050</u>
(217,547)	(39,977)	(14,103)	123,471	(46,031)	(1,239,562)	(3,795,964)
0	0	0	0	0	0	3,504,972
0	0	0	0	0	0	(28,006)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,476,966</u>
(217,547)	(39,977)	(14,103)	123,471	(46,031)	(1,239,562)	(318,998)
199,074	43,002	(12,585)	297,136	401,772	690,177	(658,640)
<u>\$ (18,473)</u>	<u>\$ 3,025</u>	<u>\$ (26,688)</u>	<u>\$ 420,607</u>	<u>\$ 355,741</u>	<u>\$ (549,385)</u>	<u>\$ (977,638)</u>

**TOLEDO CITY SCHOOL DISTRICT****Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2004**

	Locally Funded Initiative	SchoolNet	Special Capital Projects	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 21,049,197	\$ 584,815	\$ 2,090,667	\$ 23,724,679
Receivables:				
Intergovernmental	0	19,500	0	19,500
Interest	297,120	0	0	297,120
<b>Total Assets</b>	<b>\$ 21,346,317</b>	<b>\$ 604,315</b>	<b>\$ 2,090,667</b>	<b>\$ 24,041,299</b>
<b>Liabilities:</b>				
Accounts Payable	1,492,031	488,206	174,292	2,154,529
Intergovernmental Payable	1,555,000	0	0	1,555,000
Deferred Revenue	0	19,500	0	19,500
<b>Total Liabilities</b>	<b>3,047,031</b>	<b>507,706</b>	<b>174,292</b>	<b>3,729,029</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	3,042,163	554,362	258,314	3,854,839
Unreserved, Undesignated in:				
Capital Projects Funds	15,257,123	(457,753)	1,658,061	16,457,431
<b>Total Fund Balances</b>	<b>18,299,286</b>	<b>96,609</b>	<b>1,916,375</b>	<b>20,312,270</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 21,346,317</b>	<b>\$ 604,315</b>	<b>\$ 2,090,667</b>	<b>\$ 24,041,299</b>

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

	Locally Funded Initiative	SchoolNet	Technology Equity Grant	Special Capital Projects	Nonmajor Capital Projects Funds
<b>Revenues:</b>					
Investment Earnings	\$ 392,502	\$ 0	\$ 0	\$ 0	\$ 392,502
State Sources	0	815,150	0	4,953,000	5,768,150
<b>Total Revenue</b>	<b>392,502</b>	<b>815,150</b>	<b>0</b>	<b>4,953,000</b>	<b>6,160,652</b>
<b>Expenditures:</b>					
Current:					
Supporting Services	369,536	718,541	18,439	0	1,106,516
Capital Outlay	4,702,921	0	0	3,093,073	7,795,994
<b>Total Expenditures</b>	<b>5,072,457</b>	<b>718,541</b>	<b>18,439</b>	<b>3,093,073</b>	<b>8,902,510</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,679,955)	96,609	(18,439)	1,859,927	(2,741,858)
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds Issued	14,602,000	0	0	0	14,602,000
<b>Total Other Financing Sources (Uses)</b>	<b>14,602,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,602,000</b>
Net Change in Fund Balance	9,922,045	96,609	(18,439)	1,859,927	11,860,142
<b>Fund Balances at Beginning of Year</b>	<b>8,377,241</b>	<b>0</b>	<b>18,439</b>	<b>56,448</b>	<b>8,452,128</b>
<b>Fund Balances End of Year</b>	<b>\$ 18,299,286</b>	<b>\$ 96,609</b>	<b>\$ 0</b>	<b>\$ 1,916,375</b>	<b>\$ 20,312,270</b>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2004***

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	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 294,828,633	\$ 303,211,555	\$ 304,333,601	\$ 1,122,046
Total Expenditures and Other Financing Uses	<u>315,527,519</u>	<u>326,555,074</u>	<u>322,854,367</u>	<u>3,700,707</u>
Net Change in Fund Balances	(20,698,886)	(23,343,519)	(18,520,766)	4,822,753
Fund Balance at Beginning of Year	16,725,789	16,725,789	16,725,789	0
Prior Year Encumbrances	<u>10,377,160</u>	<u>10,377,160</u>	<u>10,377,160</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,404,063</u>	<u>\$ 3,759,430</u>	<u>\$ 8,582,183</u>	<u>\$ 4,822,753</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Fiscal Year Ended June 30, 2004***

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	<b>DEBT SERVICE FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 14,052,410	\$ 14,052,349	\$ 15,279,180	\$ 1,226,831
Total Expenditures and Other Financing Uses	<u>14,915,038</u>	<u>14,959,851</u>	<u>14,959,851</u>	<u>0</u>
Net Change in Fund Balances	(862,628)	(907,502)	319,329	1,226,831
Fund Balance at Beginning of Year	6,697,966	6,697,966	6,697,966	0
Prior Year Encumbrances	<u>3,292</u>	<u>3,292</u>	<u>3,292</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,838,630</u>	<u>\$ 5,793,756</u>	<u>\$ 7,020,587</u>	<u>\$ 1,226,831</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 5,380,250	\$ 5,380,250	\$ 5,154,232	\$ (226,018)
Total Expenditures and Other Financing Uses	<u>7,507,027</u>	<u>5,505,716</u>	<u>5,505,717</u>	<u>(1)</u>
Net Change in Fund Balances	(2,126,777)	(125,466)	(351,485)	(226,019)
Fund Balance at Beginning of Year	4,510,476	4,510,476	4,510,476	0
Prior Year Encumbrances	<u>470,538</u>	<u>470,538</u>	<u>470,538</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,854,237</u>	<u>\$ 4,855,548</u>	<u>\$ 4,629,529</u>	<u>\$ (226,019)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 358,388,408	\$ 346,903,108	\$ 116,397,568	\$ (230,505,540)
Total Expenditures and Other Financing Uses	<u>412,720,444</u>	<u>104,639,702</u>	<u>104,639,697</u>	<u>5</u>
Net Change in Fund Balances	(54,332,036)	242,263,406	11,757,871	(230,505,535)
Fund Balance at Beginning of Year	118,669,030	118,669,030	118,669,030	0
Prior Year Encumbrances	<u>12,155,200</u>	<u>12,155,200</u>	<u>12,155,200</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 76,492,194</u>	<u>\$ 373,087,636</u>	<u>\$ 142,582,101</u>	<u>\$ (230,505,535)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	FOOD SERVICE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 11,909,556	\$ 11,977,876	\$ 11,888,529	\$ (89,347)
Total Expenditures and Other Financing Uses	11,820,209	11,904,436	11,904,438	(2)
Net Change in Fund Balances	89,347	73,440	(15,909)	(89,349)
Fund Balance at Beginning of Year	497	497	497	0
Prior Year Encumbrances	15,905	15,905	15,905	0
Fund Balance at End of Year	<u>\$ 105,749</u>	<u>\$ 89,842</u>	<u>\$ 493</u>	<u>\$ (89,349)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 964,886	\$ 983,886	\$ 239,876	\$ (744,010)
Total Expenditures and Other Financing Uses	957,705	267,531	267,530	1
Net Change in Fund Balances	7,181	716,355	(27,654)	(744,009)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	37,289	37,289	37,289	0
Fund Balance at End of Year	\$ 44,472	\$ 753,646	\$ 9,637	\$ (744,009)

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 669,103	\$ 669,403	\$ 301,507	\$ (367,896)
Total Expenditures and Other Financing Uses	882,825	338,873	338,874	(1)
Net Change in Fund Balances	(213,722)	330,530	(37,367)	(367,897)
Fund Balance at Beginning of Year	213,723	213,723	213,723	0
Prior Year Encumbrances	11,147	11,147	11,147	0
Fund Balance at End of Year	<u>\$ 11,148</u>	<u>\$ 555,400</u>	<u>\$ 187,503</u>	<u>\$ (367,897)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,704,640	\$ 1,725,952	\$ 1,592,539	\$ (133,413)
Total Expenditures and Other Financing Uses	1,958,939	1,706,045	1,706,049	(4)
Net Change in Fund Balances	(254,299)	19,907	(113,510)	(133,417)
Fund Balance at Beginning of Year	254,281	254,281	254,281	0
Prior Year Encumbrances	5,788	5,788	5,788	0
Fund Balance at End of Year	<u>\$ 5,770</u>	<u>\$ 279,976</u>	<u>\$ 146,559</u>	<u>\$ (133,417)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,206,620	\$ 3,265,119	\$ 965,157	\$ (2,299,962)
Total Expenditures and Other Financing Uses	3,978,050	961,792	961,801	(9)
Net Change in Fund Balances	(771,430)	2,303,327	3,356	(2,299,971)
Fund Balance at Beginning of Year	771,431	771,431	771,431	0
Prior Year Encumbrances	59,111	59,111	59,111	0
Fund Balance at End of Year	<u>\$ 59,112</u>	<u>\$ 3,133,869</u>	<u>\$ 833,898</u>	<u>\$ (2,299,971)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 2,708,017	\$ 2,723,967	\$ 675,757	\$ (2,048,210)
Total Expenditures and Other Financing Uses	2,843,964	850,217	850,218	(1)
Net Change in Fund Balances	(135,947)	1,873,750	(174,461)	(2,048,211)
Fund Balance at Beginning of Year	163,189	163,189	163,189	0
Prior Year Encumbrances	27,887	27,887	27,887	0
Fund Balance at End of Year	<u>\$ 55,129</u>	<u>\$ 2,064,826</u>	<u>\$ 16,615</u>	<u>\$ (2,048,211)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 831,864	\$ 831,864	\$ 1,363,072	\$ 531,208
Total Expenditures and Other Financing Uses	674,996	22,155	22,155	0
Net Change in Fund Balances	156,868	809,709	1,340,917	531,208
Fund Balance at Beginning of Year	605,499	605,499	605,499	0
Fund Balance at End of Year	<u>\$ 762,367</u>	<u>\$ 1,415,208</u>	<u>\$ 1,946,416</u>	<u>\$ 531,208</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**ADMINISTRATIVELY MANAGED STUDENT ACTIVITY FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,796,372	\$ 1,880,372	\$ 868,601	\$ (1,011,771)
Total Expenditures and Other Financing Uses	<u>2,138,397</u>	<u>918,631</u>	<u>918,631</u>	<u>0</u>
Net Change in Fund Balances	(342,025)	961,741	(50,030)	(1,011,771)
Fund Balance at Beginning of Year	342,025	342,025	342,025	0
Prior Year Encumbrances	<u>49,462</u>	<u>49,462</u>	<u>49,462</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 49,462</u>	<u>\$ 1,353,228</u>	<u>\$ 341,457</u>	<u>\$ (1,011,771)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 4,708,554	\$ 4,639,667	\$ 4,705,741	\$ 66,074
Total Expenditures and Other Financing Uses	5,199,980	5,785,649	5,785,652	(3)
Net Change in Fund Balances	(491,426)	(1,145,982)	(1,079,911)	66,071
Fund Balance at Beginning of Year	491,415	491,415	491,415	0
Prior Year Encumbrances	1,305,051	1,305,051	1,305,051	0
Fund Balance at End of Year	<u>\$ 1,305,040</u>	<u>\$ 650,484</u>	<u>\$ 716,555</u>	<u>\$ 66,071</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**POST SECONDARY VOCATIONAL EDUCATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 20,700	\$ 21,116	\$ 20,700	\$ (416)
Total Expenditures and Other Financing Uses	<u>20,284</u>	<u>19,430</u>	<u>19,430</u>	<u>0</u>
Net Change in Fund Balances	416	1,686	1,270	(416)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 416</u>	<u>\$ 1,686</u>	<u>\$ 1,270</u>	<u>\$ (416)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,149	\$ 3,150	\$ 0	\$ (3,150)
Total Expenditures and Other Financing Uses	<u>2,676</u>	<u>41,677</u>	<u>41,677</u>	<u>0</u>
Net Change in Fund Balances	473	(38,527)	(41,677)	(3,150)
Fund Balance at Beginning of Year	2,677	2,677	2,677	0
Prior Year Encumbrances	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,150</u>	<u>\$ 3,150</u>	<u>\$ 0</u>	<u>\$ (3,150)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 75,320	\$ 75,320	\$ 0
Total Expenditures and Other Financing Uses	1,656	109,066	109,069	(3)
Net Change in Fund Balances	(1,656)	(33,746)	(33,749)	(3)
Fund Balance at Beginning of Year	1,657	1,657	1,657	0
Prior Year Encumbrances	32,092	32,092	32,092	0
Fund Balance at End of Year	<u>\$ 32,093</u>	<u>\$ 3</u>	<u>\$ 0</u>	<u>\$ (3)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 223,815	\$ 300,525	\$ 300,525	\$ 0
Total Expenditures and Other Financing Uses	402,906	404,138	404,139	(1)
Net Change in Fund Balances	(179,091)	(103,613)	(103,614)	(1)
Fund Balance at Beginning of Year	179,091	179,091	179,091	0
Prior Year Encumbrances	1,776	1,776	1,776	0
Fund Balance at End of Year	<u>\$ 1,776</u>	<u>\$ 77,254</u>	<u>\$ 77,253</u>	<u>\$ (1)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 216,986	\$ 216,985	\$ 223,772	\$ 6,787
Total Expenditures and Other Financing Uses	242,607	245,992	245,991	1
Net Change in Fund Balances	(25,621)	(29,007)	(22,219)	6,788
Fund Balance at Beginning of Year	25,625	25,625	25,625	0
Prior Year Encumbrances	3,900	3,900	3,900	0
Fund Balance at End of Year	<u>\$ 3,904</u>	<u>\$ 518</u>	<u>\$ 7,306</u>	<u>\$ 6,788</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 24,172,859	\$ 24,456,230	\$ 24,456,230	\$ 0
Total Expenditures and Other Financing Uses	24,172,859	24,456,230	24,456,230	0
Net Change in Fund Balances	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 229,000	\$ 269,277	\$ 269,277	\$ 0
Total Expenditures and Other Financing Uses	243,723	287,149	287,149	0
Net Change in Fund Balances	(14,723)	(17,872)	(17,872)	0
Fund Balance at Beginning of Year	14,723	14,723	14,723	0
Prior Year Encumbrances	3,149	3,149	3,149	0
Fund Balance at End of Year	<u>\$ 3,149</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**SCHOOLNET PROFESSIONAL DEVELOPMENT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 11,250	\$ 11,250	\$ 11,250	\$ 0
Total Expenditures and Other Financing Uses	<u>27,583</u>	<u>21,002</u>	<u>21,002</u>	<u>0</u>
Net Change in Fund Balances	(16,333)	(9,752)	(9,752)	0
Fund Balance at Beginning of Year	<u>16,332</u>	<u>16,332</u>	<u>16,332</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ 6,580</u>	<u>\$ 6,580</u>	<u>\$ 0</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**SPECIAL EDUCATION FUNDING FOR COLLABORATIVE EFFORTS FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	23,947	3,122	3,122	0
Net Change in Fund Balances	(23,947)	(3,122)	(3,122)	0
Fund Balance at Beginning of Year	23,948	23,948	23,948	0
Prior Year Encumbrances	500	500	500	0
Fund Balance at End of Year	<u>\$ 501</u>	<u>\$ 21,326</u>	<u>\$ 21,326</u>	<u>\$ 0</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 254,154	\$ 365,154	\$ 381,606	\$ 16,452
Total Expenditures and Other Financing Uses	313,727	557,652	557,659	(7)
Net Change in Fund Balances	(59,573)	(192,498)	(176,053)	16,445
Fund Balance at Beginning of Year	59,680	59,680	59,680	0
Prior Year Encumbrances	154,922	154,922	154,922	0
Fund Balance at End of Year	<u>\$ 155,029</u>	<u>\$ 22,104</u>	<u>\$ 38,549</u>	<u>\$ 16,445</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**VOCATIONAL EDUCATION ENHANCEMENT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 99,772	\$ 110,647	\$ 105,150	\$ (5,497)
Total Expenditures and Other Financing Uses	<u>94,340</u>	<u>115,409</u>	<u>115,409</u>	<u>0</u>
Net Change in Fund Balances	5,432	(4,762)	(10,259)	(5,497)
Fund Balance at Beginning of Year	966	966	966	0
Prior Year Encumbrances	<u>11,153</u>	<u>11,153</u>	<u>11,153</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 17,551</u>	<u>\$ 7,357</u>	<u>\$ 1,860</u>	<u>\$ (5,497)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 490,863	\$ 480,041	\$ 413,712	\$ (66,329)
Total Expenditures and Other Financing Uses	495,066	401,687	401,687	0
Net Change in Fund Balances	(4,203)	78,354	12,025	(66,329)
Fund Balance at Beginning of Year	4,204	4,204	4,204	0
Prior Year Encumbrances	1,527	1,527	1,527	0
Fund Balance at End of Year	<u>\$ 1,528</u>	<u>\$ 84,085</u>	<u>\$ 17,756</u>	<u>\$ (66,329)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	MISCELLANEOUS STATE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 2,041,779	\$ 2,191,778	\$ 1,692,066	\$ (499,712)
Total Expenditures and Other Financing Uses	<u>2,218,163</u>	<u>1,809,819</u>	<u>1,809,820</u>	<u>(1)</u>
Net Change in Fund Balances	(176,384)	381,959	(117,754)	(499,713)
Fund Balance at Beginning of Year	176,386	176,386	176,386	0
Prior Year Encumbrances	<u>20,796</u>	<u>20,796</u>	<u>20,796</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,798</u>	<u>\$ 579,141</u>	<u>\$ 79,428</u>	<u>\$ (499,713)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 763,734	\$ 816,490	\$ 763,733	\$ (52,757)
Total Expenditures and Other Financing Uses	710,975	759,752	759,751	1
Net Change in Fund Balances	52,759	56,738	3,982	(52,756)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	7,800	7,800	7,800	0
Fund Balance at End of Year	<u>\$ 60,559</u>	<u>\$ 64,538</u>	<u>\$ 11,782</u>	<u>\$ (52,756)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**TITLE I - MIGRANT EDUCATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 39,494	\$ 54,894	\$ 53,657	\$ (1,237)
Total Expenditures and Other Financing Uses	<u>38,257</u>	<u>50,486</u>	<u>50,487</u>	<u>(1)</u>
Net Change in Fund Balances	1,237	4,408	3,170	(1,238)
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	<u>421</u>	<u>421</u>	<u>421</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,659</u>	<u>\$ 4,830</u>	<u>\$ 3,592</u>	<u>\$ (1,238)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 7,236,479	\$ 7,280,862	\$ 6,592,102	\$ (688,760)
Total Expenditures and Other Financing Uses	6,551,914	6,622,773	6,622,773	0
Net Change in Fund Balances	684,565	658,089	(30,671)	(688,760)
Fund Balance at Beginning of Year	4,191	4,191	4,191	0
Prior Year Encumbrances	26,480	26,480	26,480	0
Fund Balance at End of Year	<u>\$ 715,236</u>	<u>\$ 688,760</u>	<u>\$ 0</u>	<u>\$ (688,760)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,825,992	\$ 2,263,578	\$ 1,741,021	\$ (522,557)
Total Expenditures and Other Financing Uses	1,303,434	1,887,584	1,887,583	1
Net Change in Fund Balances	522,558	375,994	(146,562)	(522,556)
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances	146,563	146,563	146,563	0
Fund Balance at End of Year	<u>\$ 669,123</u>	<u>\$ 522,559</u>	<u>\$ 3</u>	<u>\$ (522,556)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**TITLE VII BILINGUAL EDUCATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 147,113	\$ 196,907	\$ 31,351	\$ (165,556)
Total Expenditures and Other Financing Uses	<u>150,772</u>	<u>36,455</u>	<u>36,455</u>	<u>0</u>
Net Change in Fund Balances	(3,659)	160,452	(5,104)	(165,556)
Fund Balance at Beginning of Year	3,658	3,658	3,658	0
Prior Year Encumbrances	<u>1,447</u>	<u>1,447</u>	<u>1,447</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,446</u>	<u>\$ 165,557</u>	<u>\$ 1</u>	<u>\$ (165,556)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	CHAPTER I FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 24,441,598	\$ 27,562,589	\$ 21,208,470	\$ (6,354,119)
Total Expenditures and Other Financing Uses	24,348,138	20,709,329	20,709,332	(3)
Net Change in Fund Balances	93,460	6,853,260	499,138	(6,354,122)
Fund Balance at Beginning of Year	195,809	195,809	195,809	0
Prior Year Encumbrances	677,880	677,880	677,880	0
Fund Balance at End of Year	<u>\$ 967,149</u>	<u>\$ 7,726,949</u>	<u>\$ 1,372,827</u>	<u>\$ (6,354,122)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	CHAPTER II FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 690,127	\$ 786,186	\$ 587,878	\$ (198,308)
Total Expenditures and Other Financing Uses	895,031	838,905	838,905	0
Net Change in Fund Balances	(204,904)	(52,719)	(251,027)	(198,308)
Fund Balance at Beginning of Year	204,902	204,902	204,902	0
Prior Year Encumbrances	81,090	81,090	81,090	0
Fund Balance at End of Year	<u>\$ 81,088</u>	<u>\$ 233,273</u>	<u>\$ 34,965</u>	<u>\$ (198,308)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 474,548	\$ 558,414	\$ 416,910	\$ (141,504)
Total Expenditures and Other Financing Uses	485,028	413,438	413,438	0
Net Change in Fund Balances	(10,480)	144,976	3,472	(141,504)
Fund Balance at Beginning of Year	10,480	10,480	10,480	0
Prior Year Encumbrances	1,020	1,020	1,020	0
Fund Balance at End of Year	<u>\$ 1,020</u>	<u>\$ 156,476</u>	<u>\$ 14,972</u>	<u>\$ (141,504)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**PRESCHOOL GRANTS FOR THE HANDICAPPED FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 258,361	\$ 258,361	\$ 239,667	\$ (18,694)
Total Expenditures and Other Financing Uses	<u>267,813</u>	<u>250,986</u>	<u>250,986</u>	<u>0</u>
Net Change in Fund Balances	(9,452)	7,375	(11,319)	(18,694)
Fund Balance at Beginning of Year	9,452	9,452	9,452	0
Prior Year Encumbrances	<u>1,867</u>	<u>1,867</u>	<u>1,867</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,867</u>	<u>\$ 18,694</u>	<u>\$ 0</u>	<u>\$ (18,694)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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**TELECOMMUNICATIONS ACT GRANT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 957,220	\$ 957,220	\$ 926,718	\$ (30,502)
Total Expenditures and Other Financing Uses	<u>1,009,797</u>	<u>770,819</u>	<u>770,818</u>	<u>1</u>
Net Change in Fund Balances	(52,577)	186,401	155,900	(30,501)
Fund Balance at Beginning of Year	52,577	52,577	52,577	0
Prior Year Encumbrances	<u>11,448</u>	<u>11,448</u>	<u>11,448</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,448</u>	<u>\$ 250,426</u>	<u>\$ 219,925</u>	<u>\$ (30,501)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 6,084,811	\$ 9,204,907	\$ 3,039,572	\$ (6,165,335)
Total Expenditures and Other Financing Uses	6,661,499	3,339,053	3,339,053	0
Net Change in Fund Balances	(576,688)	5,865,854	(299,481)	(6,165,335)
Fund Balance at Beginning of Year	576,687	576,687	576,687	0
Prior Year Encumbrances	121,040	121,040	121,040	0
Fund Balance at End of Year	<u>\$ 121,039</u>	<u>\$ 6,563,581</u>	<u>\$ 398,246</u>	<u>\$ (6,165,335)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 4,231,469	\$ 4,632,326	\$ 2,210,424	\$ (2,421,902)
Total Expenditures and Other Financing Uses	4,964,790	3,062,532	3,062,531	1
Net Change in Fund Balances	(733,321)	1,569,794	(852,107)	(2,421,901)
Fund Balance at Beginning of Year	748,006	748,006	748,006	0
Prior Year Encumbrances	179,175	179,175	179,175	0
Fund Balance at End of Year	<u>\$ 193,860</u>	<u>\$ 2,496,975</u>	<u>\$ 75,074</u>	<u>\$ (2,421,901)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 15,379,153	\$ 14,717,703	\$ 14,732,874	\$ 15,171
Total Expenditures and Other Financing Uses	32,650,750	14,139,842	14,139,842	0
Net Change in Fund Balances	(17,271,597)	577,861	593,032	15,171
Fund Balance at Beginning of Year	17,317,847	17,317,847	17,317,847	0
Fund Balance at End of Year	\$ 46,250	\$ 17,895,708	\$ 17,910,879	\$ 15,171

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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	SCHOOLNET FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 795,850	\$ 815,350	\$ 815,350	\$ 0
Total Expenditures and Other Financing Uses	0	790,747	790,747	0
Net Change in Fund Balances	795,850	24,603	24,603	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 795,850</u>	<u>\$ 24,603</u>	<u>\$ 24,603</u>	<u>\$ 0</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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**TECHNOLOGY EQUITY GRANT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	4,687	64,795	64,794	1
Net Change in Fund Balances	(4,687)	(64,795)	(64,794)	1
Fund Balance at Beginning of Year	4,686	4,686	4,686	0
Prior Year Encumbrances	60,108	60,108	60,108	0
Fund Balance at End of Year	<u>\$ 60,107</u>	<u>\$ (1)</u>	<u>\$ 0</u>	<u>\$ 1</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2004***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,238,576	\$ 5,175,765	\$ 4,953,000	\$ (222,765)
Total Expenditures and Other Financing Uses	2,889,246	3,793,097	3,793,097	0
Net Change in Fund Balances	349,330	1,382,668	1,159,903	(222,765)
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	621,409	621,409	621,409	0
Fund Balance at End of Year	<u>\$ 970,740</u>	<u>\$ 2,004,078</u>	<u>\$ 1,781,313</u>	<u>\$ (222,765)</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Fiscal Year Ended June 30, 2004***

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	ENDOWMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 94,150	\$ 94,150	\$ 11,090	\$ (83,060)
Total Expenditures and Other Financing Uses	94,150	29,708	29,708	0
Net Change in Fund Balances	0	64,442	(18,618)	(83,060)
Fund Balance at Beginning of Year	846,460	846,460	846,460	0
Prior Year Encumbrances	1,500	1,500	1,500	0
Fund Balance at End of Year	<u>\$ 847,960</u>	<u>\$ 912,402</u>	<u>\$ 829,342</u>	<u>\$ (83,060)</u>

***Internal Service Funds***

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

**Rotary Fund**

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

**Intra-District Services Fund**

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

**Health Insurance Fund**

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

**Workers' Compensation Fund**

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

**TOLEDO CITY SCHOOL DISTRICT****Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2004**

	<u>Rotary</u>	<u>Intra-District Services</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 905	\$ 155,305	\$ 7,897,940	\$ 5,671,681	\$ 13,725,831
Accounts	0	13,386	238,020	0	251,406
Intergovernmental	0	3,762	0	0	3,762
Interest	0	0	10,515	22,876	33,391
Materials and Supplies Inventory	0	455,404	0	0	455,404
<b>Total Assets</b>	<u>905</u>	<u>627,857</u>	<u>8,146,475</u>	<u>5,694,557</u>	<u>14,469,794</u>
<b>Liabilities:</b>					
Accounts Payable	0	119,578	68,579	5,992	194,149
Accrued Wages and Benefits	0	0	11,154,000	0	11,154,000
Intergovernmental Payable	0	0	0	1,334,340	1,334,340
<b>Total Liabilities</b>	<u>0</u>	<u>119,578</u>	<u>11,222,579</u>	<u>1,340,332</u>	<u>12,682,489</u>
<b>Net Assets:</b>					
Unrestricted	905	508,279	(3,076,104)	4,354,225	1,787,305
<b>Total Net Assets</b>	<u>\$ 905</u>	<u>\$ 508,279</u>	<u>\$ (3,076,104)</u>	<u>\$ 4,354,225</u>	<u>\$ 1,787,305</u>

**TOLEDO CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2004**

	Rotary	Intra-District Services	Health Insurance	Workers' Compensation	Total
<b>Operating Revenues:</b>					
Interfund Charges	\$ 11,439	\$ 883,459	\$ 51,177,377	\$ 0	\$ 52,072,275
<b>Total Operating Revenues</b>	<b>11,439</b>	<b>883,459</b>	<b>51,177,377</b>	<b>0</b>	<b>52,072,275</b>
<b>Operating Expenses:</b>					
Personal Services	0	0	0	1,374,508	1,374,508
Purchased Services	0	203,465	45,536,852	42,423	45,782,740
Supplies and Materials	0	783,864	0	0	783,864
Miscellaneous	13,341	0	0	0	13,341
<b>Total Operating Expenses</b>	<b>13,341</b>	<b>987,329</b>	<b>45,536,852</b>	<b>1,416,931</b>	<b>47,954,453</b>
Operating Income (Loss)	(1,902)	(103,870)	5,640,525	(1,416,931)	4,117,822
<b>Nonoperating Revenue (Expenses):</b>					
Investment Earnings	0	0	39,818	79,856	119,674
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>39,818</b>	<b>79,856</b>	<b>119,674</b>
Change in Net Assets	(1,902)	(103,870)	5,680,343	(1,337,075)	4,237,496
Net Assets Beginning of Year	2,807	612,149	(8,756,447)	5,691,300	(2,450,191)
Net Assets End of Year	\$ 905	\$ 508,279	\$ (3,076,104)	\$ 4,354,225	\$ 1,787,305

**TOLEDO CITY SCHOOL DISTRICT**

***Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2004***

	Rotary	Intra-District Services	Health Insurance	Workers' Compensation	Total
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Interfund Charges	11,439	878,426	51,309,643	0	\$52,199,508
Cash Payments to Employees for Services and Benefits	(13,341)	(964,409)	(47,127,424)	(2,202,501)	(50,307,675)
Net Cash Provided (Used) by Operating Activities	(1,902)	(85,983)	4,182,219	(2,202,501)	1,891,833
<u>Cash Flows from Investing Activities:</u>					
Receipts of Interest	0	0	38,790	70,077	108,867
Net Cash Provided by Investing Activities	0	0	38,790	70,077	108,867
Net Increase (Decrease) in Cash and Cash Equivalents	(1,902)	(85,983)	4,221,009	(2,132,424)	2,000,700
Cash and Cash Equivalents at Beginning of Year	2,807	241,288	3,676,931	7,804,105	11,725,131
Cash and Cash Equivalents at End of Year	\$905	\$155,305	\$7,897,940	\$5,671,681	\$13,725,831
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	(\$1,902)	(\$103,870)	\$5,640,525	(\$1,416,931)	\$4,117,822
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	0	(9,407)	(229,897)	0	(239,304)
Increase in Intergovernmental Receivables	0	(1,611)	0	0	(1,611)
Increase in Inventory	0	(57,011)	0	0	(57,011)
Increase (Decrease) in Accounts Payable	0	85,916	(1,943,409)	(10,038)	(1,867,531)
Increase in Accrued Wages and Benefits	0	0	715,000	0	715,000
Decrease in Intergovernmental Payables	0	0	0	(775,532)	(775,532)
Total Adjustments	0	17,887	(1,458,306)	(785,570)	(2,225,989)
Net Cash Provided (Used) by Operating Activities	(1,902)	(85,983)	\$4,182,219	(2,202,501)	\$1,891,833



## ***TOLEDO CITY SCHOOL DISTRICT***

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### ***Fiduciary Funds***

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

#### ***Agency Fund***

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#### ***Pell Grant Fund***

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

#### ***Student Managed Activity Fund***

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

**TOLEDO CITY SCHOOL DISTRICT****Combining Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2004**

	Balance June 30, 2003	Additions	Deductions	Balance June 30, 2004
<b><u>Pell Grant Fund</u></b>				
Assets:				
Accounts Receivable	\$44,278	\$44,246	(\$44,278)	\$44,246
Total Assets	\$44,278	\$44,246	(\$44,278)	\$44,246
Liabilities:				
Accounts Payable	\$44,246	\$0	(\$44,246)	\$0
Due to Others	32	0	(32)	0
Due to Students	0	44,246	0	44,246
Total Liabilities	\$44,278	\$44,246	(\$44,278)	\$44,246
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$486,532	\$659,551	(\$650,707)	\$495,376
Accounts Receivable	499	1,816	(499)	1,816
Interest Receivable	1,774	1,668	(1,774)	1,668
Total Assets	\$488,805	\$663,035	(\$652,980)	\$498,860
Liabilities:				
Accounts Payable	\$52,923	\$85,548	(\$52,923)	\$85,548
Intergovernmental Payable	2,200	124	(2,200)	124
Interfund Loan Payable	0	3,400	0	3,400
Due to Students	433,682	573,963	(597,857)	409,788
Total Liabilities	\$488,805	\$663,035	(\$652,980)	\$498,860
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$486,532	\$659,551	(\$650,707)	\$495,376
Accounts Receivable	44,777	46,062	(44,777)	46,062
Interest Receivable	1,774	1,668	(1,774)	1,668
Total Assets	\$533,083	\$707,281	(\$697,258)	\$543,106
Liabilities:				
Accounts Payable	\$97,169	\$85,548	(\$97,169)	\$85,548
Intergovernmental Payable	2,200	124	(2,200)	124
Due to Others	32	0	(32)	0
Interfund Loan Payable	0	3,400	0	3,400
Due to Students	433,682	618,209	(597,857)	454,034
Total Liabilities	\$533,083	\$707,281	(\$697,258)	\$543,106

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**TOLEDO CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
June 30, 2004***

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<u>Capital Assets</u>	
Land	\$10,281,943
Construction in Progress	12,191,262
Land Improvements	9,337,804
Buildings	65,227,408
Building Improvements	43,564,899
Machinery and Equipment	5,926,640
Vehicles	9,348,032
Total Capital Assets	<u>\$155,877,988</u>
 <u>Investment in Capital Assets from:</u>	
General Fund	\$14,776,191
Special Revenue Funds	20,777,195
Capital Project Funds	120,271,747
Trust Funds	52,855
Total Capital Assets	<u>\$155,877,988</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2004***

---

	<u>Instruction</u>	<u>Administration</u>	<u>Operation and Maintenance of Plant Services</u>
Land	\$9,770,085	\$111,367	\$264,653
Construction in Progress	12,191,262	0	0
Land Improvements	8,160,624	454,121	147,300
Buildings	61,942,668	1,028,140	1,375,380
Building Improvements	36,865,067	3,199,910	127,245
Machinery and Equipment	820,189	2,348,835	1,398,411
Vehicles	265,561	0	1,530,343
Total Capital Assets	<u>\$130,015,456</u>	<u>\$7,142,373</u>	<u>\$4,843,332</u>

***TOLEDO CITY SCHOOL DISTRICT***

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<u>Trasnportation Services</u>	<u>Non- Instructional</u>	<u>Total Capital Assets</u>
\$60,122	\$75,716	\$10,281,943
0	0	12,191,262
524,300	51,459	9,337,804
34,362	846,858	65,227,408
172,715	3,199,962	43,564,899
42,700	1,316,505	5,926,640
7,552,128	0	9,348,032
<u>\$8,386,327</u>	<u>\$5,490,500</u>	<u>\$155,877,988</u>

**TOLEDO CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
June 30, 2004***

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	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Instruction	\$118,438,548	\$12,076,380	\$499,472	\$130,015,456
Administration	6,818,694	323,679	0	7,142,373
Operation and Maintenance of Plant Services	3,894,022	949,310	0	4,843,332
Transportation Services	8,290,690	368,858	273,221	8,386,327
Non-Insturctional Services	5,441,421	49,079	0	5,490,500
Total Capital Assets	<u>\$142,883,375</u>	<u>\$13,767,306</u>	<u>\$772,693</u>	<u>\$155,877,988</u>

*STATISTICAL SECTION*

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*STATISTICAL TABLES*

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

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Expenditures:					
Instruction	\$109,869,478	\$115,363,855	\$119,995,630	\$125,443,648	\$141,037,839
Supporting Services	66,085,177	70,297,465	75,157,736	81,162,642	89,923,159
Non-Instructional Services	3,304,206	4,511,480	7,615,117	4,399,500	7,657,903
Extracurricular Activities	2,362,786	2,472,384	2,475,374	2,486,785	2,516,050
Capital Outlay	97,558	288,717	85,368	281,131	298,043
Debt Service	95,446	104,931	227,428	407,563	450,977
Total Expenditures	<u>\$181,814,651</u>	<u>\$193,038,832</u>	<u>\$205,556,653</u>	<u>\$214,181,269</u>	<u>\$241,883,971</u>
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenditures:					
Instruction	\$138,693,350	\$140,789,559	\$193,056,559	\$218,665,625	\$224,080,604
Supporting Services	93,480,267	90,471,629	129,346,979	139,042,662	136,780,343
Non-Instructional Services	8,661,983	6,743,647	25,028,179	26,550,266	27,486,263
Extracurricular Activities	2,566,882	2,321,515	4,926,855	5,237,784	5,149,254
Capital Outlay	330,972	97,074	5,551,521	9,126,013	37,290,845
Debt Service	812,973	596,861	148,765	512,324	14,162,497
Total Expenditures	<u>\$244,546,427</u>	<u>\$241,020,285</u>	<u>\$358,058,858</u>	<u>\$399,134,674</u>	<u>\$444,949,806</u>

(1) 1993 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2004.

## TOLEDO CITY SCHOOL DISTRICT, OHIO

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

	1995	1996	1997	1998	1999
Revenues:					
Taxes	\$88,247,834	\$85,599,187	\$86,601,429	\$87,157,230	\$90,238,184
Tuition	935,249	1,275,151	1,490,656	1,113,495	1,403,972
Transportation Fees	215,476	195,991	240,554	196,481	188,280
Food Services	0	0	0	0	0
Earnings on Investments	1,637,515	1,696,619	2,011,130	2,100,461	2,309,758
Extracurricular Activities	0	0	0	0	0
Class Materials & Fees	66,624	137,521	221,400	233,556	224,272
Intermediate Sources	0	0	0	0	0
Intergovernmental - State	94,950,063	103,645,981	108,965,840	120,979,796	140,139,521
Intergovernmental - Federal	602,953	1,779,663	887,251	1,943,738	1,167,623
All Other Revenue	1,750,789	2,472,435	2,072,493	3,919,009	2,357,053
Total Revenue	<u>\$188,406,503</u>	<u>\$196,802,548</u>	<u>\$202,490,753</u>	<u>\$217,643,766</u>	<u>\$238,028,663</u>

	2000	2001	2002	2003	2004
Revenues:					
Taxes	\$89,412,273	\$95,233,099	\$112,167,580	\$111,319,491	\$116,690,772
Tuition	1,109,732	785,970	1,566,401	2,680,188	5,197,293
Transportation Fees	183,229	298,867	349,851	440,793	469,959
Food Services	0	0	2,335,035	2,438,348	2,355,774
Earnings on Investments	2,497,587	3,077,894	2,334,619	2,049,381	2,078,065
Extracurricular Activities	1,083	60	1,600,512	1,577,542	1,546,319
Class Materials & Fees	259,694	215,101	461,879	454,013	400,782
Intermediate Sources	0	0	79,106	52,690	35,239
Intergovernmental - State	148,301,871	157,769,579	200,931,402	218,580,096	243,734,658
Intergovernmental - Federal	844,330	754,365	37,922,340	34,184,344	44,480,898
All Other Revenue	8,986,686	2,282,503	2,559,583	3,340,754	3,479,842
Total Revenue	<u>\$251,596,485</u>	<u>\$260,417,438</u>	<u>\$362,308,308</u>	<u>\$377,117,640</u>	<u>\$420,469,601</u>

(1) 1993 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2004.

Source: Toledo City School District records

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

<u>Year</u>	<u>Total Current Taxes Levied</u>	<u>Taxes Collected</u>	<u>Percent of Levy Collected</u>	<u>Delinquencies Collected</u>	<u>Total Taxes Collected</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Levy</u>
1995	\$103,455,187	\$98,556,816	95.27%	\$4,811,031	\$103,367,847	99.92%	\$18,348,332	17.74%
1996	103,048,502	99,082,894	96.15%	4,585,289	103,668,183	100.60%	12,874,534	12.49%
1997	102,701,500	98,205,962	95.62%	3,875,476	102,081,438	99.40%	13,406,424	13.05%
1998	103,467,500	100,599,670	97.23%	4,741,811	105,341,481	101.81%	13,406,424	12.96%
1999	103,012,500	103,607,334	100.58%	4,080,726	107,688,060	104.54%	11,908,071	11.56%
2000	103,452,500	99,726,726	96.40%	3,893,076	103,619,802	100.16%	10,835,239	10.47%
2001	120,443,000	116,837,921	97.01%	4,688,232	121,526,153	100.90%	14,172,596	11.77%
2002	119,636,000	115,838,754	96.83%	5,598,419	121,437,173	101.51%	15,570,267	13.01%
2003	129,385,000	122,349,118	94.56%	6,777,937	129,127,055	99.80%	16,946,065	13.10%
2004	127,874,000	125,522,304	98.16%	6,563,407	132,085,711	103.29%	19,187,136	15.00%

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

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

<b>Year</b>	<b>Real Property</b>		<b>Personal Property</b>		<b>Public Utility</b>		<b>Total</b>		<b>Ratio (%)</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
1995	\$1,758,672	\$5,024,777	\$327,434	\$1,259,362	\$279,079	\$1,033,626	\$2,365,185	\$7,317,765	32.32%
1996	1,751,799	5,005,140	329,831	1,319,324	265,569	983,589	2,347,199	7,308,053	32.12%
1997	1,744,976	4,985,646	338,850	1,355,400	243,656	974,624	2,327,482	7,315,670	31.82%
1998	1,860,408	5,315,451	347,725	1,390,900	245,271	981,084	2,453,404	7,687,435	31.91%
1999	1,861,928	5,319,794	353,093	1,412,372	237,960	951,840	2,452,981	7,684,006	31.92%
2000	1,875,031	5,357,231	367,785	1,471,140	223,891	895,564	2,466,707	7,723,935	31.94%
2001	2,320,805	6,630,871	366,623	1,466,492	225,416	901,664	2,912,844	8,999,027	32.37%
2002	2,305,922	6,588,349	373,954	1,558,142	166,114	664,456	2,845,990	8,810,947	32.30%
2003	2,314,937	6,614,106	345,046	1,437,692	177,375	709,500	2,837,358	8,761,297	32.39%
2004	2,658,992	7,597,120	322,160	1,342,333	152,422	609,688	3,133,574	9,549,141	32.82%

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Source: Lucas County Auditor

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Toledo City School District	57.70	57.80	57.80	57.80	57.80	57.80	63.00	63.00	68.00	67.60
Townships:										
Harding	3.30	3.30	3.30	3.30	3.30	3.30	3.30	4.30	3.60	3.30
Spencer	4.50	4.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Municipalities:										
City of Toledo	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Lucas County	17.30	17.30	17.35	17.35	17.35	17.35	17.80	17.45	17.45	18.30

Source: Lucas County Auditor

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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**COMPUTATION OF LEGAL DEBT MARGIN  
AMOUNTS IN THOUSANDS  
JUNE 30, 2004**

Total Assessed Property Value		\$3,133,574
Voted and Unvoted Debt Limit - 9% of Assessed Valuation		282,022
Total Unvoted Debt Outstanding	134	
Less: Exempted Debt:		
Asbestos removal notes- E.P.A.	<u>134</u>	
Net Subject to 9% Limit		<u>0</u>
Total Legal Voted and Unvoted Debt Margin		<u><u>\$282,022</u></u>

Source: Toledo City School District records

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

<b>Collection Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available (3)</b>	<b>Net Bonded Debt (3)</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1995	325,767	\$2,365,185	\$5,200	\$82	\$5,118	0.22%	\$16
1996	325,767	2,347,199	4,440	90	4,350	0.19%	13
1997	325,767	2,327,482	3,640	86	3,554	0.15%	11
1998	325,767	2,453,404	2,795	86	2,709	0.11%	8
1999	325,767	2,452,981	1,910	87	1,823	0.07%	6
2000	325,767	2,466,707	980	85	895	0.04%	3
2001	313,619	2,912,843	0	94	0	0.00%	0
2002	313,619	2,845,990	0	95	0	0.00%	0
2003	313,619	2,837,358	72,500	6,929	65,571	2.31%	209
2004	313,619	3,133,574	167,800	7,814	159,986	5.11%	510

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

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (1)</u>	<u>Total General Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures</u>
1995	\$1,725,000	\$333,721	\$2,058,721	\$181,814,651	0.95%
1996	760,000	270,347	1,030,347	193,038,832	0.39%
1997	800,000	230,448	1,030,448	205,556,653	0.39%
1998	845,000	188,447	1,033,447	214,181,269	0.39%
1999	885,000	144,085	1,029,085	241,883,971	0.37%
2000	930,000	49,918	979,918	244,546,427	0.38%
2001	980,000	51,940	1,031,940	241,020,285	0.41%
2002	0	0	0	358,058,858	0.00%
2003	0	0	0	399,134,674	0.00%
2004	8,300,000	4,919,033	13,219,033	444,949,806	1.87%

Source: Toledo City School District Records

(1) Includes all general obligation bond debt service.

(2) 1993 through 2001 includes expenditures of the General Fund only.

GASB Statement No. 34 was implemented in 2002 and all Governmental Funds are included for 2002 through 2004.

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AMOUNTS IN THOUSANDS  
JUNE 30, 2004**

<u>Jurisdiction</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
<b>Direct:</b>			
Toledo City School District	\$167,934	100.00%	\$167,934
<b>Overlapping:</b>			
City of Toledo	113,097	70.40%	79,620
Lucas County	18,652	36.40%	<u>6,789</u>
		Subtotal	<u>86,410</u>
		Total	<u><u>\$254,344</u></u>

Source: Lucas County Auditor

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

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### **DEMOGRAPHIC STATISTICS LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>		<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
1995	325,767		38,933	4.7%
1996	325,767		39,471	5.3%
1997	325,767		39,565	4.8%
1998	325,767		38,701	4.7%
1999	325,767		37,656	4.4%
2000	325,767		37,313	4.4%
2001	313,619	a)	37,315	5.7%
2002	313,619	a)	36,699	8.3%
2003	313,619	a)	35,604	9.8%
2004	313,619	a)	34,316	10.0%

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

(2) Toledo City School District records

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

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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

<b>Tax Collection Year</b>	<b>Assessed Value (1)</b>	<b>Construction (1)</b>	<b>Bank Deposits (2)</b>
1995	\$3,162,415	\$87,299	\$5,411,410
1996	3,277,973	79,246	5,552,727
1997	3,253,639	115,087	3,337,234
1998	3,451,237	143,736	4,616,910
1999	3,450,882	160,835	4,958,332
2000	3,472,027	207,353	5,564,096
2001	4,084,142	158,421	1,561,915
2002	4,025,806	227,243	33,515
2003	4,009,940	92,457	23,518
2004	4,411,593	144,184	168,283

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

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

### **PRINCIPAL PROPERTY TAXPAYERS AMOUNTS IN THOUSANDS JUNE 30, 2004**

<b><u>Real Property</u></b>	<b><u>Assessed Valuation</u></b>	<b><u>% of Total Taxable Valuation</u></b>
Owens-Illinois	\$19,335	0.73%
Medical College of Ohio	11,190	0.42%
S-S-C Company	9,560	0.36%
St . Vincent Medical Center	8,601	0.32%
A.E.R.C.	7,841	0.29%
Toledo Hospital	7,092	0.27%
Four Seagate Associates	6,029	0.23%
Dana Corporation	5,585	0.21%
Reed Holdings	5,145	0.19%
Toledo Town & Country	4,772	0.18%
Subtotal	85,150	3.20%
All Other	2,573,842	96.80%
	\$2,658,992	100.00%
<b><u>Personal Property</u></b>		
Daimler Chrysler	\$17,850	5.54%
Multifoods Manufacturing Inc.	14,649	4.55%
Block Communications, Inc.	13,551	4.21%
Amerisource Corporation	9,473	2.94%
Libbey, Inc.	6,041	1.88%
Textile Leather Corpotation	4,816	1.49%
Kraft Foods - North America	4,213	1.31%
Heartland Repack Services	3,556	1.10%
Land O Sun Dairies LLC	3,084	0.96%
Owens-Illinois	2,896	0.90%
Subtotal	80,129	24.88%
All Other	242,031	75.12%
	\$322,160	100.00%

Source: Lucas County Auditor

## **TOLEDO CITY SCHOOL DISTRICT, OHIO**

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### **TOLEDO AREA TOP TEN EMPLOYERS JUNE 30, 2004**

<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>
ProMedica Health Systems	Medial Facilities	10,739
Mercy Health Partners	Hospital	6,566
Toledo Public Schools	Education	5,600
Daimler-Chrysler - Jeep	Automotive/Manufacturing	5,583
The University of Toledo	Education	5,000
Lucas County	Government	4,037
General Motors/Power Train	Automotive/Manufacturing	3,860
HCR Manor Care	Health Care Services	3,412
Medical College of Ohio	Hospital	3,300
Kroger, Inc	Retail Grocery	2,087

Source: Toledo Area Chamber of Commerce

# TOLEDO CITY SCHOOL DISTRICT, OHIO

## MISCELLANEOUS STATISTICAL DATA

JUNE 30, 2004

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

### Number of Schools

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

### Enrollment

Elementary	19,230
Jr. High	5,324
High	9,485
Special	277
Total	34,316

### Number of Teachers, Levels of Degree and Years of Experience

<u>Degree</u>	<u>Number of Teachers</u>	<u>% of Total</u>
Doctorate	13	0.39%
Master's & Specialist's	1,550	46.29%
Bachelor's	1,785	53.32%
Total	3,348	100.00%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5.5	559	16.70%
6 - 10.5	609	18.19%
11 - 15.5	573	17.11%
16 - 20.5	531	15.86%
21 - 25.5	368	10.99%
26 - Over	708	21.15%
Total	3,348	100.00%

Source: Toledo City School District records





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**TOLEDO CITY SCHOOL DISTRICT**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 5, 2005**