

City of Toledo, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014



Prepared by: Department of Finance
George E. Sarantou, Finance Director

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014



PREPARED BY:

DEPARTMENT OF FINANCE

GEORGE E. SARANTOU, FINANCE DIRECTOR

INTRODUCTORY SECTION

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014**

Table of Contents

INTRODUCTORY SECTION

	Page No.
Table of Contents	1-3
Letter of Transmittal.....	5-10
GFOA Certificate of Achievement	11
List of Principal Officials.....	12
Organizational Chart.....	13

FINANCIAL SECTION

Independent Auditors' Report.....	17-19
Management's Discussion and Analysis.....	21-36

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	39
Statement of Activities	40

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	41
Reconciliation of the Balance Sheet to the Statement of Net Position of Governmental Funds	42
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	43
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities of Governmental Funds	44
Statement of Net Position – Proprietary Funds	45
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	46
Statement of Cash Flows – Proprietary Funds	47
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds - Agency	48

Notes to Basic Financial Statements.....	51-96
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Required Supplementary Information

General Fund and Special Assessment Services Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund.....	101
Special Assessment Services Fund.....	102
Notes to Required Supplementary Information.....	103-104

City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

Table of Contents
(Continued)

	Page No.
Supplementary Information	
Other Government Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds (by fund type).....	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (by fund type)	110
Special Revenue Funds:	
Combining Balance Sheet.....	113-114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	115-116
Debt Service Funds:	
Combining Balance Sheet	119
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	120
Capital Projects Fund:	
Combining Balance Sheet	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	124
Permanent Fund:	
Combining Balance Sheet	127
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	128
Non-major Enterprise Funds:	
Combining Statement of Net Position	131
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	132
Combining Statement of Cash Flows.....	133
Internal Service Funds:	
Combining Statement of Net Position	137
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	138
Combining Statement of Cash Flows	139
Agency Funds:	
Statement of Changes in Assets and Liabilities	143
Special Budgetary Comparison Section:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual	
Major Governmental Funds	147-162
Nonmajor Special Revenue Funds.....	163-182
Nonmajor Debt Service Funds.....	183-184
Nonmajor Capital Projects Fund.....	185

City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

Table of Contents
(Continued)

STATISTICAL SECTION (UNAUDITED)

	Table	
Net Position by Component – Last Ten Fiscal Years	1	190
Changes in Net Position by Component – Last Ten Fiscal Years	2	191-193
Fund Balances, Governmental Funds – Last Ten Fiscal Years	3	194
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	4	195
General Revenues by Source, Governmental Funds – Last Ten Fiscal Years.....	5	196
Income Tax Revenues – Last Ten Fiscal Years.....	6	197
Assessed Value and Estimated Actual Value of		
Taxable Property – Last Ten Fiscal Years.....	7	198
Property Tax Rates Direct and Overlapping Governments –		
Last Ten Fiscal Years	8	199
Top 75 Withholders by Industry – Last Ten Fiscal Years	9	200
Real and Public Utility Property Tax Levies and Collections –		
Last Ten Fiscal Years	10	201
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	11	202
Ratios of Net General Bonded Debt - Last Ten Fiscal Years	12	203
Computation of Direct and Overlapping Debt	13	204
Legal Debt Margin Information – Last Ten Fiscal Years	14	205
Pledged-Revenue Coverage – Last Ten Fiscal Years	15	206
Demographic and Economic Statistics – Last Ten Fiscal Years.....	16	207
Principal Employers.....	17	208
Full-time-Equivalent City Governmental Employees by MSA –		
Last Ten Fiscal Years	18	209
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	19	210
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	20	211

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CITY OF TOLEDO



Paula Hicks-Hudson
Mayor

George E. Sarantou
Director of Finance

June 30, 2015

Honorable Mayor Paula Hicks-Hudson, Steven Steel, President
and Members of City Council and Citizens of the City of Toledo, Ohio

As Director of Finance for the City of Toledo, Ohio (the City), I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014.

The report contains basic financial statements, management's discussion and analysis, supplemental financial statements, and other financial and statistical information which provide a complete and full disclosure for all financial aspects material to the City. This CAFR conforms to Generally Accepted Accounting Principles in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The City's management assumes the responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements. We believe this data fairly reflects the financial position of the City and the results of its operation.

As part of the annual preparation of the CAFR, the City is subject to an annual independent audit of its basic financial statements, which serves to strengthen the City's accounting, budgetary, and internal control of its financial and operational systems. The firm of Clark, Schaefer, Hackett & Co. located in the City of Toledo, Ohio has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2014. The independent auditors' report is located at the front of the financial section of this report.

This transmittal letter should be read in conjunction with the Management's Discussion and Analysis, which provides a narrative introduction, overview and analysis of the basic financial statements.

PROFILE OF THE GOVERNMENT

The City was incorporated January 7, 1837, and operates under its Charter adopted in November 1914. The City may exercise all powers of local self-government granted under Article XVIII, Section 3, of the Ohio Constitution, not in conflict with applicable general laws of Ohio. The Charter provides that the City operate under the strong mayor/council form of government.

Legislative authority in the City is vested in a twelve-member Council. Six members of the Council are elected at-large and six from districts, all for overlapping four-year terms. The Council is authorized to enact ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal activities. The Council also has authority to fix the compensation of City officers and employees. The Council elects one of its members to serve as the President of Council, its presiding officer.

Toledo, the fourth largest city in Ohio, is located in the northwest part of the State, approximately 150 miles north of Columbus and 120 miles west of Cleveland. The City’s elevation is approximately 614 feet above sea level. Some comparative data for Ohio six largest cities is as follows:

City	Area	Population		
		2010	2000	1990
Columbus	227.2 sq miles	787,033	711,470	632,910
Cleveland	77.9 sq. miles	396,815	478,403	505,616
Cincinnati	78.8 sq. miles	296,943	331,285	364,040
Toledo	84.3 sq. miles	287,208	313,619	332,943
Akron	62.4 sq. miles	199,110	217,074	223,019
Dayton	56.3 sq. miles	141,527	166,179	182,044

For Financial purposes, this CAFR is in conformity with the provision of GASB Statement No. 61, the Financial Reporting Entity, all governmental departments, agencies, institutions, commissions, public authorities and other governmental organizations for which the City has significant accountability. Financial accountability is determined by the City’s financial interdependence. The reporting entity of the City includes the following services as authorized by its charter: public safety, highways and street, water and sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The City and the Toledo Metropolitan Statistical Area (MSA) have diverse economies in both their manufacturing and their increasingly important service sectors. Within the Toledo MSA are manufacturers of automobiles and automotive parts, glass, wood products, grain and food products, petroleum, chemicals, machinery, tools, rubber products, plastics, die castings and solar energy panels. Among the largest service sector employers in the Toledo MSA are health care providers, public higher educational institutions, local governments, public utilities, freight and transportation companies, financial institutions and retailers.

- Owens-Corning, a 2014 Fortune 500 corporation, has its headquarters in the City, and three other of the 2014 Fortune 500 corporations, The Andersons, Inc., Dana Holding Corporation and Owens-Illinois, Inc., have their corporate headquarters in the Toledo MSA.
- The ProMedica Health System and Mercy Health Partners, which operate health care systems, are the first and second largest employers in the Toledo MSA. Both of these systems have aggressively expanded and improved their facilities and property holdings within the City in the past decade.
- The University of Toledo (including its Medical Center) is the third largest employer in the Toledo MSA. Both the University’s Main Campus and its Medical Campus are located within the City. In addition to the training and education provided to students, the research programs at the University result in and support the creation of new medical and high-technology enterprises. Office and industrial parks for such enterprises are located near both campuses.

- Fiat Chrysler Automobiles is the largest manufacturing employer in the Toledo MSA. Fiat Chrysler announced in February 2014 that employment at its Toledo Assembly Complex located on 312 acres in the City, where it now produces Jeep Wranglers and Cherokee Limiteds, had increased to 4,108 workers and employment at its Toledo Machine Plant in nearby Perrysburg was 1,048. In March 2014, Chrysler announced it would hire up to 1,000 part-time workers for the Toledo Assembly Complex in 2014 to provide relief for regular employers who have been working 60 hours a week. Chrysler's Wrangler assembly operation in the Toledo Assembly Complex was named as the most productive auto assembly plant by Harbour Report for 2011 and 2012. In January 2014, Fiat S.p.A., which had owned approximately 58.5% of the company's shares, completed the purchase of the remaining shares from a union-controlled health care trust fund, and Chrysler Group LLC became a part of the new Fiat Chrysler Automobiles.
- General Motors' Powertrain Division manufactures and assembles transmissions at a 1.68-million-square-foot facility located on 185 acres in the City. According to newspaper reports, that facility has been repeatedly recognized by Harbour Report as the most productive powertrain plant in North America. In the last seven years, GM has completed two major projects to renovate and expand the plant to prepare it as a site for production of a new six-speed, front-wheel and rear-wheel drive automatic transmissions. The rear-wheel transmissions are used in light trucks and sport utility vehicles. The front-wheel drive transmissions are to be used in five small, fuel-efficient vehicles, including the new Chevrolet Cruze. In 2011 and 2013, GM announced additional expansion and other improvements to the plant for production of fuel-efficient eight-speed transmissions and an upgrading of its assembly line for front-wheel drive six-speed transmissions. See Economic and Community Development Activities – Industry and Commerce –Recent Development Activities. GM reported that it employed 1,890 workers at the plant as of January 1, 2014.
- Owens Corning, a global producer of residential and commercial building materials, glass-fiber reinforcements and engineered materials for composite systems with sales of \$5.3 billion in 2013, employs approximately 15,000 in 27 countries, including approximately 1,229 in the Toledo MSA. The headquarters are located in the Downtown area of the City, and the company recently agreed to a 15-year extension of its lease of those facilities.
- Dana Holding Corporation, a manufacturer of motor vehicle parts and industrial components, employs approximately 23,000 in 26 countries worldwide, including approximately 700 in the Toledo MSA. Its global network of engineering, manufacturing and distribution facilities provides original-equipment and aftermarket customers with local product and service support. Dana's operations in the Toledo MSA have included its headquarters and a division office and research and development center that are located in a company-owned technology center in the adjacent City of Maumee, Ohio. In 2010, the company consolidated its heavy vehicle products operations into a newly acquired facility adjacent to its headquarters and relocated a portion of the 175 workers in that unit from two other states to the new facility and headquarters.
- The Andersons, Inc., also based in the City of Maumee just south of the City, is a corporate conglomerate with a collection of agricultural-based businesses that include grain, fertilizers, general stores, and ethanol production for alternative energy fuel that employs approximately 1,672 workers in the Toledo MSA.

The Toledo MSA serves as a major transportation center, and significant employment is provided by transportation industry employers.

The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo MSA remains the home of four of the nation's largest glass manufacturing companies, Owens-Illinois, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey, Inc., earning the City the title of the "Glass Capital of the World," and Fiat Chrysler Automobiles, General Motors Company and Dana Holding Corporation continue to provide a major automotive industry presence in the Toledo MSA. The Toledo MSA is also one of the larger oil refining centers between Chicago and the eastern seaboard, with BP Oil Co. and Sun Refining and Marketing each operating a major refinery in the MSA. However, as is shown in the tables that follow, in recent years, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA and more than 70% of total payrolls in the County. Education and health care industry employment in the Toledo MSA has increased by 20% since 2000 according to United States Labor Department data.

MAJOR CITY INITIATIVES

The City continues to provide a variety of services required to meet the needs of its citizens in the most cost-effective and efficient manner. We look forward to the following significant activities made possible by the citizens of the City and its government.

- In 2014, the ProMedica Health System, the largest employer in the Toledo MSA, announced a plan to relocate its headquarters to a central campus in the Downtown area of the City. The plan provides for the renovation of an historic building, the former Toledo Edison Steam Plant, and an adjacent office building on the Maumee River and the construction of a six-story parking garage. The City and ProMedica have entered into a development agreement pursuant to which ProMedica has agreed to invest at least \$50 million in the campus, and the City has agreed to provide certain land for the parking garage and infrastructure improvements in support of the project, to maintain and improve an adjacent park to be incorporated as a part of the campus and to provide a seven-year property tax abatement other financial incentives after it is completed. The project is expected to be completed in 2016. When completed, ProMedica is anticipated to have 1,000 administrative staff members in the headquarters facilities, including 525 who are currently working outside the City. The City expects the project to promote additional development in the Downtown area of the City.
- The Toledo Mud Hens Baseball Club, Inc. has commenced an estimated \$19 million public/private partnership project to renovate three 19th-century buildings and create a "Hensville" entertainment district with dining, event and retail space adjacent to Fifth Third Field in the Warehouse District in the Downtown area of the City. The project, which also includes the redevelopment of a parking lot in that district into a park to accommodate larger gatherings for concerts, theater and food festivals, sporting events and other activities, is expected to be completed by April 2016. Funding for the project includes approximately \$12 million in support from the federal government, the State, the County, the City and the Local Initiatives Support Corporation of Toledo, with the balance being provided by the Mud Hens.
- In 2014, Dana Holding Corporation, a Fortune 500 automotive and industrial components manufacturer, announced plans for an expansion of its headquarters building in the MSA. Construction of the project, estimated to cost between \$7 million and \$10 million, began in Fall 2014 and is to be completed in Summer 2015. Dana also announced that it expects employment at the headquarters building, located in one of the joint economic development zones created by the City and adjacent subdivisions, to increase by approximately 200, with the relocation of employees from other facilities in the MSA and the Detroit metropolitan area. The City shares in income tax revenues received from employees in the zone.
- In 2013, the City and Owens-Corning, a Fortune 500 glass fiber products manufacturer, reached an agreement on an incentive package to extend the lease on its Downtown corporate headquarters facility for an additional fifteen-year period through 2030. Among other matters, the City agreed to make certain

infrastructure improvements in the area of the headquarters and to extend through 2024 a tax-increment financing structure that, together with a State grant, will provide funds for such improvements. In return, Owens Corning, which now employs approximately 1,229 at its headquarters facility, agreed to add 50 jobs over a three-year period and to make annual payments of \$400,000 to the Toledo City School District.

- A new National Museum of the Great Lakes, located in the City's Marina District, was opened by The Great Lakes Historical Society in April 2014. The new Museum is housed in the Toledo Maritime Center, a facility owned by the Port Authority that has been renovated to feature more than 50 interactive exhibits as well as displays of original artifacts in up to 10,000 feet of exhibit space. Most of the construction work for the Museum involved dredging in the Maumee River in preparation for the arrival of the museum ship, the Col. James M. Schoonmaker, and site preparation for a maritime park with outdoor exhibits. The \$8.5 million cost of the project was funded with proceeds of an Ohio Cultural Facilities Commission grant of \$6.1 million and from private sources.

ACCOUNTING SYSTEMS

The City's day-to-day accounting records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records for all governmental funds are converted to the modified accrual basis, whereby revenues are recognized when measurable and available with the business cycle (with 60 days after year end), and expenditures are recognized when the related fund liability is incurred. The accounting records for the proprietary funds and government-wide financial statement are converted to the accrual basis, whereby revenues are recognized when measurable and earned and expenses are recognized as incurred.

In May 2010, the City implemented a new enterprise resource planning (ERP) system called SAP. The major initiatives and changes to the City's accounting systems were as follows:

- Decentralization of accounting processes
- Implementation of a systematic workflow and approval processes
- Implementation of an electronic document storage system
- Implementation of a capital asset accounting system previously done manually
- Implementation of an accounts receivable system previously done manually
- Enhance the budgeting process and reporting
- Enhance financial reporting and inquiry

INTERNAL CONTROLS

The management of the City is responsible for establishing and maintaining internal control, designed to provide reasonable, but not absolute assurance that the assets of the City are protected from loss, theft, or misuse. Management also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The design of the internal control also recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the City is responsible for ensuring not only that adequate internal controls are in place, but also that the City has complied with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FIANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This is the thirty-second year since 1982 that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current year CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

This report is the result of the continued cooperation and combined services of the elected officials and management of the City. The preparation of the CAFR could not have been accomplished without the dedicated service of the Division of Accounts. Our appreciation is also extended to the entire Department of Finance and the various other departments whose cooperative efforts during the course of this report's preparation made possible its completion on a timely basis.

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

Respectfully submitted,



George E. Sarantou
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Toledo
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS

MAYOR

Paula Hicks-Hudson

MEMBERS OF COUNCIL

At-Large Seats

Theresa M. Gabriel
Rob Ludeman
Sandy Spang
Larry J. Sykes
Dr. Steven C. Steel
Dr. Cecelia M. Adams

Length of Service

Two Years
Six Years
Two Years
Two Years
Six Years
Three Months

District Seats

Tyrone Riley, Esq. (District 1)
Matt Cherry (District 2)
Michael Craig (District 3)
Yvonne Harper (District 4)
Tom Waniewski (District 5)
Lindsay M. Webb (District 6)

Four Years
Two Years
Nine Years
One Month
Seven Years
Seven Years

CLERK OF COUNCIL

Gerald E. Dendinger

DIRECTOR OF FINANCE

George E. Sarantou

CITY TREASURER

Clarence E. Coleman

CITY AUDITOR

John A. Jaksetic

Citizens of Toledo

MAYOR
Paula Hicks-Hudson

Mayor's Staff
A. Bannister – Manager
L. Weeks – Mayor's Assistant
E. Rodriguez – Mayor's Assistant

BCR
L. Alvarado-Arce

Executive Officer
J. Takacs

PIO
S. Weber

Board of Health
Dr. David Grossman

Chief of Staff
Bob Reinbolt

Law
Adam Loukx

Economic/ Business
Development
Matt Sapara

Assistant
S. Jimenez

Assistant Chief of Staff
Joel L. Mazur

Inspection
C. Zervos

CBO
D. Golis

AA
C. Brown

DPU
E. Moore

Finance
G. Sarantou

Fire
L. Santiago

Police
G. Kral

HR
M. Sobczak

ICT
D. Scherting

Plan Commission
T. Gibbons

DPS
B. Franklin

Neighborhoods
T. Kroma

Engineering
D. Stephens

Tax/Treasury
C. Coleman

K. Marquardt
Asst. Chief

B. Tucker
Admn. Services

SBH
D. Welch

Housing
A. Cox

Environmental
Services
J. Ball

Accounts
R. Jackson

B. Byrd
Deputy Chief

J. O'Bryant
Investigative Svcs.

Transportation
S. Frederick

Grants
B. Bonds

Sewers
D. Pratt

Budget
M. Campbell

T. Jaksetic
Deputy Chief

T. Weigand
Operations
Division

Fleet & Facilities
K. McCarthy

Code
Enforcement
C. Geronimo

Water
Distribution
C. Soncrant

Purchasing
B. Benner

R. Syroka
Deputy Chief

Solid Waste
D. Pittman

BAT
S. Leggett

Water
Treatment
C. Campbell

Debt/CIP
B. Benner

PRF
L. Ward

Youth Commission
R. Contreras-Harris

Admn. Svcs
A. Arnold

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Paula Hicks-Hudson, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 21 through 36 and 101 through 104, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2015

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014

As management of the City of Toledo, Ohio (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2014 are as follow:

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of 2014 by \$944.0 million. Of this amount \$27.4 million is considered unrestricted. The unrestricted net position of the City's business-type activities are \$6.9 million and may be used to meet the on-going obligations of the business-type activities, including water, sewer, utilities administrative service and seven nonmajor enterprise funds including storm water, property management, small business development, municipal tow lot, marina operations, Erie Street Market and Toledo Public Power. The unrestricted net position of the governmental activities is \$20.5 million.
- The City's total net position increased \$13.1 million or 1.4 percent in 2014. Net position of the governmental activities decreased \$8.0 million, which represents a 1.7 percent decrease from 2013. Net position of the business-type activities increased \$21.2 million or 4.5 percent from 2013.
- The total cost of the City's programs increased \$33.9 million or 7.9 percent. The cost of governmental activities increased \$14.6 million or 4.7 percent, while the cost of business-type activities increased \$19.3 million or 16.2 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$10.2 million. The combined fund balance of the governmental funds decreased \$3.8 million from the prior year's ending fund balance.

Overview of the Financial Statements

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

Government-wide financial statements

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 39 and 40 of this report.

Fund financial statements

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

Governmental funds

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

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

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

The basic governmental fund financial statements can be found on pages 41 through 44 of this report.

Proprietary funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer and utility administration services as well as property management, small business development, tow lot, marina operation, Toledo Public Power and Erie Street Market. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions including municipal garage, capital replacement, facility operations, storeroom and printshop, information and communication technologies, risk management and workers' compensation activities. The services provided by these funds predominantly benefit governmental rather than business-type functions. They have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 45 through 47 of this report.

Fiduciary funds

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

The basic fiduciary fund financial statements can be found on page 48 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 through 96 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund and special assessment services budgets. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 101 through 104 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 109 through 143 of this report.

The City has included a special budgetary comparison section for the governmental funds. This includes the general fund, capital improvements fund, special assessment services fund and the nonmajor governmental funds broken out individually to report revenues for the fund as well as expenditures reported by major service area and funds center. The special budgetary comparison section can be found on pages 147 through 185.

Certain prior year amounts in this management's discussion and analysis have been reclassified for consistency.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2014 compared to December 31, 2013.

Net Position						
(Amounts in Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$ 220,044	\$ 201,350	\$ 346,765	\$ 352,345	\$ 566,809	\$ 553,695
Capital Assets	565,041	571,219	847,753	799,263	1,412,794	1,370,482
Total Assets	785,085	772,569	1,194,518	1,151,608	1,979,603	1,924,177
Deferred Outflow of Resources	-	-	158	178	158	178
Liabilities						
Long-Term Liabilities Outstanding	208,944	203,093	654,434	639,158	863,378	842,251
Other Liabilities	107,777	93,230	52,426	45,976	160,203	139,206
Total Liabilities	316,721	296,323	706,860	685,134	1,023,581	981,457
Deferred Inflow of Resources	12,143	11,976	-	-	12,143	11,976
Net Position						
Net Investment in Capital Assets	377,025	379,066	391,748	372,533	768,773	751,599
Restricted	58,721	59,009	89,146	88,854	147,867	147,863
Unrestricted	20,475	26,195	6,922	5,265	27,397	31,460
Total Net Position	\$ 456,221	\$ 464,270	\$ 487,816	\$ 466,652	\$ 944,037	\$ 930,922

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by approximately \$944.0 million at the close of the most recent fiscal year.

The largest portion of the City's net position (81.4 percent) reflects an investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment and infrastructure); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

An additional portion of the City's net position (15.7 percent) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (2.9 percent) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is \$27.4 million; the unrestricted net position of the City's business-type activities, \$6.9 million, may not be used to fund governmental activities. As of the end of the current fiscal year, the City has unrestricted net position related to government type activities of \$20.5 million.

The overall net position of the City increased \$13.1 million or 1.4 percent in 2014. The net position for governmental activities decreased \$8.0 million or 1.7 percent. In 2014, major contributors were a decrease in capital assets of \$6.2 million, a net increase of debt of \$5.9 million and other liabilities increased by \$14.5 million.

The net position of business-type activities of the City increased by \$21.1 million or 4.5 percent. The increase is primarily comprised of water operations and sewer operations, which provided an increase in net position of \$5.0 million and \$8.3 million respectively. Storm utilities experienced an increase in net position of \$5.6 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

The following table provides a summary of the change in net position for 2014 compared to 2013.

	Changes in Net Position					
	(Amounts in Thousands)					
	Governmental activities		Business type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 74,630	\$ 94,761	\$ 155,504	\$ 145,030	\$ 230,134	\$ 239,791
Operating Grants	14,160	20,492	-	-	14,160	20,492
Capital Grants	14,486	10,630	2,483	640	16,969	11,270
Total Program Revenues	103,276	125,883	157,987	145,670	261,263	271,553
General Revenue:						
Income Taxes	163,653	158,176	-	-	163,653	158,176
Property Taxes	9,585	9,708	-	-	9,585	9,708
Investment Earnings	454	508	1,818	1,132	2,272	1,640
Intergovernmental Services	26,740	2,215	-	-	26,740	2,215
Sale of Capital Assets	167	87	673	-	840	87
Other	10,534	8,728	-	-	10,534	8,728
Total General Revenues	211,133	179,422	2,491	1,132	213,624	180,554
Total Revenues	314,409	305,305	160,478	146,802	474,887	452,107
Expenses						
General Government	29,937	35,031	-	-	29,937	35,031
Public Service	67,217	55,070	-	-	67,217	55,070
Public Safety	177,419	173,274	-	-	177,419	173,274
Public Utilities	3,753	1,876	-	-	3,753	1,876
Community Environment	21,427	20,090	-	-	21,427	20,090
Health	9,743	9,265	-	-	9,743	9,265
Parks and Recreation	6,702	6,443	-	-	6,702	6,443
Interest on Fiscal Charges	7,460	8,003	-	-	7,460	8,003
Water	-	-	53,472	46,912	53,472	46,912
Sewer	-	-	63,174	51,310	63,174	51,310
Other	-	-	21,468	20,622	21,468	20,622
Total Expenses	323,658	309,052	138,114	118,844	461,772	427,896
Increase (Decrease) in Net Position						
Before Transfers	(9,249)	(3,747)	22,364	27,958	13,115	24,211
Transfers	1,200	238	(1,200)	(238)	-	-
Change in Net Position	(8,049)	(3,509)	21,164	27,720	13,115	24,211
Net Position - Beginning	464,270	467,779	466,652	438,932	930,922	906,711
Net Position - Ending	\$ 456,221	\$ 464,270	\$ 487,816	\$ 466,652	\$ 944,037	\$ 930,922

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Governmental activities: Governmental activities decreased the City's net position by \$8.0 million. Key elements of the changes in net position are as follows:

- Income tax revenue, which represents 52.1 percent of the City's governmental revenue, finished 2014 \$5.5 million higher than the previous year when taken on a full accrual basis. This was due primarily to an added work shift in the manufacturing sector.
- Operating grants decreased by \$6.3 million or 30.9 percent due to the Department of Neighborhoods receiving less funding from HUD for CDBG grant and HOME grant and the continued phase out of ARRA grants. Capital grants revenue experienced an increase of \$3.9 million, due in large part to a grant received for the Great Lakes Historical Museum.

Business-type activities: Net position of the City's Business-type activities increased \$21.2 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$10.5 million or 7.2 percent in 2014, this relates primarily to the scheduled utility user rate increases approved by City Council in 2011.
- The City saw its program revenues from capital grants increase by \$1.8 million in 2014. This was primarily due to increased funding from the Ohio Public Works Commission (OPWC) for water reclamation projects.
- Expenses were \$19.3 million higher in 2014 versus the previous year. This came as a result of additional investment in upgrades and improvements to the water treatment plant.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

As of December 31, 2014, the City's governmental funds reported a combined ending fund balance of \$10.2 million; a decrease of \$3.8 million in comparison with the prior year. There is an *unassigned fund balance* deficit of \$(62.6) million. The *nonspendable fund balance* of \$7.7 million represents the City's investment in inventory. The \$47.9 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation. There is a *committed fund balance* of \$17.1 million.

A schedule of governmental funds revenues and expenditures for the last ten fiscal years has been provided in the Statistical Section of this CAFR – see Table 4 on page 195.

General Fund: The general fund is the chief operating fund of the City. At December 31, 2014, the total fund balance of the general fund was \$9.8 million. The fund balance of the City's general fund increased \$1.8 million during 2014. The City's income tax revenue increased by \$6.0 million or 3.8 percent, due in large part to an added work shift at an automotive assembly plant in 2014. Expenditures increased by \$2.7 million or 1.3 percent primarily as a result of increases in public safety labor.

Capital Improvement Fund: The capital improvement fund is used to account for construction, acquisition and major improvements of the City's buildings, infrastructure and parklands. The operating transfers of funds received herein are derived from the income taxes that are earmarked by voters for capital improvement, construction grants and bond sales. At December 31, 2014, total fund balance of the capital improvements fund is \$19.1 million. The fund balance of the capital improvements fund decreased \$161 thousand during 2014. The City continues to dedicate new debt to road construction.

Special Assessment Services Fund: The special assessment services fund is used to account for the proceeds of special assessments levied against property owners benefiting from street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance. At December 31, 2014, total fund balance of the special assessment services funds was a deficit of \$56.9 million. The fund balance deficit of the special assessments services fund increased by \$6.1 million during 2014.

Proprietary Funds

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

The City operates three major enterprise activities: water, sanitary sewer and utility administration. The City also operates seven nonmajor enterprise activities: storm water, property management, small business development, municipal tow lot, marina operations, Erie Street Market and Toledo Public Power. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the City intends that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports on its enterprise funds using the full accrual basis of accounting.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Water: The total net position of the water fund at the end of the year amounted to \$162.2 million. The net position of the water fund increased \$5.0 million or 3.2 percent in 2014. Operating revenues increased by \$4.7 million or 9 percent over comparable revenue in 2013, due to a rate increase as part of the four year rate plan approved by City Council. Operating expenses increased \$4.9 million or 13.8 percent over comparable expenses in 2013.

Sewer: The total net position of the sewer fund at the end of the year amounted to \$278.7 million of which \$6.2 million is unrestricted. The net position of the sewer fund increased \$8.3 million or 3.1 percent. Operating revenues remained flat for fiscal year 2014 versus 2013, as evidenced by an increase of \$171 thousand over comparable revenue in the previous year. Operating expenses for fiscal year 2014 increased \$8.5 million or 19.4 percent over comparable expenses in 2013, due to an increase in volume and associated costs of production and increased maintenance costs on aging infrastructure. This fund also received revenue from capital contributions in 2014 of \$1.6 million for the construction projects related to the sewer facilities.

Utility Administration Services: The total net position of the utility administration services fund at the end of the year amounted to \$1.6 million of which \$1.4 million is unrestricted. The net position of the utility administration services fund increased by \$268 thousand or 20.6 percent. Operating revenues for fiscal year 2014 increased by \$2.2 million or 22.3 percent. Operating expenses for fiscal year 2014 increased by \$891 thousand or 7.9 percent.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$45.3 million of which a (\$10.3) million deficit is unrestricted. The net position of the nonmajor enterprise funds increased \$7.6 million. Operating revenues for fiscal year 2014 increased by \$3.4 million or 26 percent over comparable revenue in 2013, due in large part to an increase in storm sewer revenue. Operating expenses for fiscal year 2014 increased \$102 thousand or 1.2 percent over comparable expenses in 2013.

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

General Fund Budgetary Highlights

The 2014 final general fund total revenue budget was \$244.8 million as compared to the original budget of \$244.7 million.

The following schedule is a summary of general fund revenues for 2014 over comparable revenue for 2013:

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Revenues and Other Financing Sources
(Amounts in Thousands)

	2014	% of Total	Increase (Decrease) from 2013	% Change from 2013
Income Taxes	\$ 164,787	68.3%	\$ 6,012	3.8%
Property Taxes	9,552	4.0%	(46)	-0.5%
Licenses and Permits	2,468	1.0%	60	2.5%
Intergovernmental Services	17,708	7.3%	(3,336)	-15.9%
Charges for Services	26,265	10.9%	(31)	-0.1%
Investment Earnings	230	0.1%	95	70.4%
Fines and Forfeitures	5,876	2.4%	(1,242)	-17.4%
Other Revenue	898	0.4%	278	44.8%
Gain on Sale of Capital Assets	-	0.0%	(25)	-100.0%
Transfers In	13,418	5.6%	941	7.5%
Total	<u>\$ 241,202</u>	<u>100.0%</u>	<u>\$ 2,706</u>	<u>1.1%</u>

Key elements of the changes in revenues are as follows:

- Income tax revenue increased \$6.0 million or 3.8 percent under comparable revenue from 2013. The increase is primarily attributable to an increase of withholding in the manufacturing category. Specifically, there was an added work shift at an automotive assembly plant.
- Intergovernmental services revenue decreased \$3.3 million or 15.9 percent over comparable revenue from 2013. The decrease is a direct result of the decline in estate tax revenue versus the previous year.
- Revenue from fines and forfeitures in 2014 decreased \$1.2 million from comparable revenue in 2013. This was due to a reduction in monies collected from red light camera violations.

The 2014 final general fund total expense budget was \$244.8 million as compared to the original budget of \$244.7 million.

The following schedule is a summary of general fund expenditures for 2014 over comparable expenditures from 2013:

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Expenditures and Other Uses
(Amounts in Thousands)

	2014	% of Total	Increase (Decrease) from 2013	% change from 2013
General Government	\$ 25,555	10.7%	\$ (1,557)	-5.7%
Public Service	1,839	0.8%	165	9.9%
Public Safety	164,410	68.5%	5,146	3.2%
Public Utilities	8	0.0%	7	700.0%
Community Environment	4,394	1.8%	(277)	-5.9%
Health	4,272	1.8%	(495)	-10.4%
Parks and Recreation	2,623	1.1%	(324)	-11.0%
Capital Outlay	-	0.0%	(1)	-100.0%
Principal Retirement	548	0.2%	22	4.2%
Interest and Fiscal Charges	178	0.1%	(22)	-11.0%
Transfers Out	36,008	15.0%	1,351	3.9%
Total	<u>\$ 239,835</u>	<u>100.0%</u>	<u>\$ 4,015</u>	<u>1.7%</u>

Key elements of the changes in expenditures are as follows:

- Public safety increased \$5.1 million or 3.2 percent over comparable expenditures from 2013. The increase is attributable to increased labor costs that were the result of additional staffing in the Police and Fire Departments as well as contractual wage rate increases.
- Transfers out increased \$1.4 million or 3.9 percent over comparable expenditures from 2013. The increase is a result of the City's increase in income tax revenues.
- General Government decreased \$1.6 million or 5.7 percent over comparable expenditures from 2013. The decrease is primarily attributable to reductions in full time and seasonal labor, as well as a reduction of compensated absence liability.

General Fund Equity: Total equity in the general fund was a positive balance of \$9.8 million. The equity balance is comprised of the following:

- *Nonspendable* – This total is related to inventory and totaled \$1.6 million in 2014.
- *Restricted* – This category applies to funds which can only be spent for a specific purpose stipulated by external resource providers or through enabling legislation. The restricted equity balance of the General Fund totaled \$5.3 million in 2014.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

- *Committed* - The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. This is classified under the committed category of fund equity and totaled \$1.6 million in 2014. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2014.
- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2014, the unassigned fund balance totaled \$1.3 million.

Capital Asset and Debt Administration

Capital assets: The City's net investment in capital assets for governmental and business-type activities as of December 31, 2014, amounts to \$1.4 billion. This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs, gutters, streets, sidewalks and drainage systems.

Capital Assets (Net of Depreciation)

(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 28,388	\$ 24,641	\$ 3,466	\$ 4,322	\$ 31,854	\$ 28,963
Construction in Progress	87,086	100,289	243,482	181,602	330,568	281,891
Building	35,969	37,267	23,609	24,149	59,578	61,416
Furniture and Fixtures	4,043	4,268	419	526	4,462	4,794
Improvements	52,376	50,311	64,976	68,320	117,352	118,631
Infrastructure	315,676	307,752	474,695	478,158	790,371	785,910
Machinery and Equipment	41,503	46,691	37,106	42,186	78,609	88,877
Total	\$ 565,041	\$ 571,219	\$ 847,753	\$ 799,263	\$ 1,412,794	\$ 1,370,482

Major capital asset events during 2014 included the following:

- Total net investment in capital assets increased \$42.3 million or 3.1 percent.
- Business-type capital assets increased by \$48.5 million or 6.1 percent net of \$21.7 million in current year depreciation expense. The increase is attributed to City's continued investment into its water and sewer system infrastructure.
- Governmental capital assets decreased by \$6.2 million or 1.1 percent net of \$39.9 million in current year depreciation expense.

Additional information on the City's capital assets can be found in Note 6 on pages 72 through 74 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

Long-term debt: At December 31, 2014, the City had \$943.7 million of long-term bonds, notes, loans and other obligations outstanding net of unamortized premiums and discounts in governmental and business-type activities. All assessment bonds issued by the City are general obligation bonds and notes. There were \$65 thousand in assessment bonds and \$40.7 million in assessment notes all related to governmental activities outstanding at December 31, 2014. The revenue bonds of the City represent bonds secured solely by specified revenue sources.

Long-Term Debt Outstanding
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds and Notes	\$ 135,521	\$ 124,461	\$ 18,204	\$ 19,192	\$ 153,725	\$ 143,653
Revenue Bonds and Notes	40,700	35,800	307,826	318,847	348,526	354,647
Loans Outstanding	33,752	39,237	351,083	320,954	384,835	360,191
Capital Lease Obligations	4,027	5,543	283	555	4,310	6,098
Other Obligations	47,491	46,177	4,809	6,090	52,300	52,267
Total	\$ 261,491	\$ 251,218	\$ 682,205	\$ 665,638	\$ 943,696	\$ 916,856

Total long-term bonds and loans outstanding at December 31, 2014 increased \$26.8 million or 2.9 percent as compared to the amount outstanding at December 31, 2013.

On December 31, 2014, the City's bond ratings with Standard & Poor's Corporation and Moody's Investor Services, Inc. were A- and A2, respectively.

The ORC provides two debt limitations that are directly based on tax valuation of all property in a city.

- The net principal amount of both voted and nonvoted debt of a city, excluding certain "exempt debt", may not exceed 10.5 percent of the total tax valuation of all property in the city as listed and assessed for taxation.
- The net principal amount of the nonvoted debt of a city, excluding exempt debt, may not exceed 5.5 percent of that valuation.

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

These two limitations are referred to as “direct debt limitations.” Without consideration of amounts in the City’s bond retirement fund and based on outstanding debt as of December 31, 2014, as well as current assessed valuation, the City’s voted and nonvoted nonexempt debt capacities within the direct debt limitations were:

	<u>Limitation</u>	<u>Nonexempt Debt Outstanding</u>	<u>Additional Debt Capacity Within Limitation</u>
10.50%	\$ 336,039	\$ 143,540	\$ 192,499
5.50%	\$ 176,021	\$ 143,540	\$ 32,481

Nonvoted general obligation debt issued by the City is also subject to an indirect debt limitation, commonly referred to as the “ten-mill limitation,” imposed by a combination of provisions of the Ohio Constitution and the ORC. Under that limitation, nonvoted debt may not be issued unless the ad valorem property tax for the payment of debt service on (a) the bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding nonvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt service, in any year is 10 mills or less per \$1.00 of assessed valuation.

As of December 31, 2014, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 7.5479 mills, down from prior year at 8.3750 mills for the year of the highest potential debt service. The City and the overlapping taxing subdivisions had the highest millage requirements for debt service on nonvoted general obligation debt in any year for their outstanding nonvoted general obligation debt. The remaining 2.4521 mills within the ten-mill limitation was yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional nonvoted general obligation debt.

Additional information regarding the City’s notes payable in Note 7 on page 74 of this report. Information regarding long-term debt can be found in Note 8 on pages 75 through 80.

Economic Factors and 2015 Budgets and Rates

The City’s elected and appointed officials considered many factors when setting the fiscal 2015 budget. Both the national economy and the City are slowly recovering from a depressed economic situation. Our 2014 income tax revenues, which are the largest source of revenue for our general fund, increased by 3.8 percent over the previous year.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(continued)

The City is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote long-term fiscal stability and maintain budget reserves. Increasing productivity and reducing personnel costs will provide the most benefit to the current year budget and future budgets. To this end, the City is in process of reviewing several service areas. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City and Lucas County are working with the Regional Growth Partnership and the Toledo-Lucas County Port Authority, as well as all surrounding municipalities and townships to promote economic development programs. In addition, the City will continue its investment in job creation in order to continue to grow our local economy. The total general fund budget for 2015 is \$245.9 million.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance
City of Toledo, Ohio
One Government Center, Suite 2050
Toledo, OH 43604

BASIC FINANCIAL STATEMENTS

City of Toledo, Ohio
Statement of Net Position
December 31, 2014
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with treasurer	\$ 12,323	\$ 11,053	\$ 23,376
Cash and cash equivalents held by escrow agent	-	1,262	1,262
Cash and cash equivalents other	12	163	175
Investments	19,211	80,774	99,985
Restricted investments	30,407	233,181	263,588
Receivables (net of allowance)	115,234	36,333	151,567
Due from other governments	12,645	-	12,645
Internal balances	21,669	(21,669)	-
Inventory	8,543	5,668	14,211
Capital assets:			
Land and construction in progress	115,474	246,948	362,422
Other capital assets, net of accumulated depreciation	449,567	600,805	1,050,372
Total assets	785,085	1,194,518	1,979,603
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond insurance	-	158	158
LIABILITIES			
Accounts payable	16,174	9,598	25,772
Customer deposits	3,188	3,664	6,852
Accrued wages and benefits	11,630	2,387	14,017
Accrued interest payable	800	6,004	6,804
Retainage	810	2,926	3,736
Due to other governments	4,870	76	4,946
Other current liabilities	17,758	-	17,758
Current portion of long-term liabilities:			
Compensated absences	333	30	363
Bonds, notes, loans and other obligations	52,214	27,741	79,955
Long-term liabilities:			
Compensated absences	31,359	4,779	36,138
Bonds, notes, loans and other obligations	177,585	649,655	827,240
Total liabilities	316,721	706,860	1,023,581
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	12,143	-	12,143
NET POSITION			
Net investment in capital assets	377,025	391,748	768,773
Restricted for:			
Debt service	-	9,978	9,978
Replacement	-	78,868	78,868
Capital improvement	34,981	300	35,281
Community programs	21,548	-	21,548
Other purposes	2,192	-	2,192
Unrestricted	20,475	6,922	27,397
Total net position	\$ 456,221	\$ 487,816	\$ 944,037

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

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2014
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 29,937	\$ 22,583	\$ 2	\$ -	\$ (7,352)	\$ -	\$ (7,352)
Public service	67,217	21,517	84	472	(45,144)	-	(45,144)
Public safety	177,419	17,406	4,263	-	(155,750)	-	(155,750)
Public utilities	3,753	22	-	10,376	6,645	-	6,645
Community environment	21,427	2,389	6,818	3,638	(8,582)	-	(8,582)
Health	9,743	10,575	2,993	-	3,825	-	3,825
Parks and recreation	6,702	138	-	-	(6,564)	-	(6,564)
Interest and fiscal charges	7,460	-	-	-	(7,460)	-	(7,460)
Total governmental activities	323,658	74,630	14,160	14,486	(220,382)	-	(220,382)
Business-type activities:							
Water	53,472	57,205	-	-	-	3,733	3,733
Sewer	63,174	69,890	-	1,611	-	8,327	8,327
Storm utility	6,358	11,046	-	872	-	5,560	5,560
Utilities administration	12,176	12,163	-	-	-	(13)	(13)
Property management	970	1,745	-	-	-	775	775
Small business development	52	8	-	-	-	(44)	(44)
Municipal tow lot	1,056	2,566	-	-	-	1,510	1,510
Erie St. Market	109	107	-	-	-	(2)	(2)
Toledo Public Power	747	774	-	-	-	27	27
Total business-type activities	138,114	155,504	-	2,483	-	19,873	19,873
Total	\$ 461,772	\$ 230,134	\$ 14,160	\$ 16,969	\$ (220,382)	\$ 19,873	\$ (200,509)
General revenues:							
					163,653	-	163,653
					9,585	-	9,585
					454	1,818	2,272
					26,740	-	26,740
					167	673	840
					10,534	-	10,534
Transfers					1,200	(1,200)	-
Total general revenues and transfers					212,333	1,291	213,624
Changes in net position					(8,049)	21,164	13,115
Net Position - beginning					464,270	466,652	930,922
Net Position - ending					\$ 456,221	\$ 487,816	\$ 944,037

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

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2014
(Amounts in Thousands)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessments Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Equivalents:					
Cash and Equivalents with Treasurer	\$ 12,323	\$ -	\$ -	\$ -	\$ 12,323
Cash and Equivalents Other	10	-	-	2	12
Investments	18,151	97	-	963	19,211
Restricted Investments	5,317	24,094	280	701	30,392
Receivables (Net of Allowance)	35,356	1,991	55,202	21,727	114,276
Due From Other:					
Funds	-	-	-	33,608	33,608
Governments	3,448	4,576	99	4,522	12,645
Inventory of Supplies	1,594	1,117	3,956	1,073	7,740
Total Assets	<u>76,199</u>	<u>31,875</u>	<u>59,537</u>	<u>62,596</u>	<u>230,207</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	9,241	3,520	204	1,531	14,496
Deposits	510	176	-	2,185	2,871
Retainage	-	795	-	15	810
Due To Other:					
Funds	20,900	887	19,749	3,678	45,214
Governments	-	-	-	4,870	4,870
Accrued Wages and Benefits	9,533	161	696	753	11,143
Compensated Absences Payable	327	-	3	3	333
Notes Payable	-	3,198	40,700	4,175	48,073
Total Liabilities	<u>40,511</u>	<u>8,737</u>	<u>61,352</u>	<u>17,210</u>	<u>127,810</u>
Deferred Inflows of Resources:					
Revenues Levied for the next year and Unavailable Revenue	25,893	3,998	55,093	7,242	92,226
Fund Balances:					
Nonspendable	1,594	1,117	3,956	1,957	8,624
Restricted	5,317	18,023	280	23,403	47,023
Committed	1,553	-	-	15,559	17,112
Unassigned	1,331	-	(61,144)	(2,775)	(62,588)
Total Fund Balances	<u>9,795</u>	<u>19,140</u>	<u>(56,908)</u>	<u>38,144</u>	<u>10,171</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 76,199</u>	<u>\$ 31,875</u>	<u>\$ 59,537</u>	<u>\$ 62,596</u>	<u>\$ 230,207</u>

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

City of Toledo, Ohio

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2014
(amounts expressed in thousands)

Total **fund balances** for governmental funds \$ 10,171

Total **net position** reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities (excluding internal services funds capital assets) are not financial resources and therefore are not reported in the funds 543,473

Revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements

Special assessments	\$ 56,363	
Income taxes	7,074	
Delinquent property taxes	2,811	
Capital grants	3,998	
Operating grants	3,305	
Other revenue	2,012	
Reimbursements from other governments	<u>4,520</u>	80,083

Internal services funds are used by the City to account for the financing of goods or services provided by one department or agency to the other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 31,879

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. Balances at December 31, 2014 are as follows:

General obligation bonds	(123,648)	
Compensated absences	(31,359)	
Loans outstanding from federal agencies	(18,641)	
Loans outstanding from state agencies	(15,111)	
Accrued interest	(800)	
Landfill closure	(15,799)	
Capital leases	<u>(4,027)</u>	(209,385)

Total **net position** of governmental activities \$ 456,221

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

City of Toledo, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Income Taxes	\$ 164,787	\$ -	\$ -	\$ -	\$ 164,787
Property Taxes	9,552	-	-	-	9,552
Special Assessments	-	-	21,599	223	21,822
Licenses and Permits	2,468	-	-	8	2,476
Intergovernmental Services	17,708	5,195	-	12,455	35,358
Charges for Services	26,265	22	334	911	27,532
Investment Earnings	230	201	3	20	454
Fines and Forfeitures	5,876	-	-	1,615	7,491
Grants	-	11,420	-	19,453	30,873
Other Revenue	898	5,531	54	3,621	10,104
Total Revenues	<u>227,784</u>	<u>22,369</u>	<u>21,990</u>	<u>38,306</u>	<u>310,449</u>
EXPENDITURES					
Current:					
General Government	25,555	413	813	170	26,951
Public Service	1,839	-	28,347	11,574	41,760
Public Safety	164,410	-	-	4,462	168,872
Public Utilities	8	-	-	-	8
Community Environment	4,394	-	-	16,575	20,969
Health	4,272	-	525	3,142	7,939
Parks and Recreation	2,623	-	202	134	2,959
Capital Outlay	-	40,223	-	1,768	41,991
Debt Service:					
Principal Retirement	548	8,945	-	16,030	25,523
Interest and Fiscal Charges	178	1,564	430	4,811	6,983
Debt Issuance Costs	-	219	-	-	219
Total Expenditures	<u>203,827</u>	<u>51,364</u>	<u>30,317</u>	<u>58,666</u>	<u>344,174</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>23,957</u>	<u>(28,995)</u>	<u>(8,327)</u>	<u>(20,360)</u>	<u>(33,725)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	13,418	37,115	-	22,366	72,899
Transfers (Out)	(36,008)	(34,113)	-	(1,578)	(71,699)
Capital Lease Proceeds	-	948	-	-	948
Issuance of Bonds and Loans	-	22,884	-	-	22,884
Premium on Bonds	-	1,972	-	-	1,972
Proceeds from Sale of Capital Assets	-	150	-	17	167
Total Other Financing Sources (Uses)	<u>(22,590)</u>	<u>28,956</u>	<u>-</u>	<u>20,805</u>	<u>27,171</u>
Net Change in Fund Balance	1,367	(39)	(8,327)	445	(6,554)
Fund Balance (Deficit) at Beginning of Year	7,977	19,301	(50,794)	37,515	13,999
Increase (Decrease) for Inventory	451	(122)	2,213	184	2,726
Fund Balance (Deficit) at Year End	<u>\$ 9,795</u>	<u>\$ 19,140</u>	<u>\$ (56,908)</u>	<u>\$ 38,144</u>	<u>\$ 10,171</u>

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

City of Toledo, Ohio

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities

Governmental Funds

For the Year Ended December 31, 2014

(amounts expressed in thousands)

Net change in **fund balances** - total governmental funds \$ (6,554)

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 these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation expense.

Capital additions	\$ 32,820	
Depreciation expense	<u>(37,666)</u>	(4,846)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount of this net effect of the reversal of prior year items against current year accruals.

Special assessments	6,755	
Income taxes	(1,134)	
Delinquent property taxes	33	
Capital grants	3,638	
Operating grants	(5,865)	
Other revenue	2,012	
Reimbursements from other governments	<u>(2,076)</u>	3,363

The long-term liability for compensated absences is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. (1,610)

The long-term liability for landfill closure is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. (543)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This amount is the amount by which repayment of proceeds exceeds principal from issuance not reported as notes payable in the governmental funds. (399)

Change in accrued interest 52

Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore; are not reported as expenditures in governmental funds.

Change in inventory		2,726
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Changes in net position of internal service funds reported with governmental activities. (238)

Changes in net position of governmental activities		<u><u>\$ (8,049)</u></u>
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The notes to the financial statements are an integral part of the statement.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2014
(Amounts in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
ASSETS						
<u>Current:</u>						
Cash and Equivalents with Treasury	\$ 108	\$ 14	\$ 10,925	\$ 6	\$ 11,053	\$ -
Cash and Equivalents Held by Escrow	1,086	173	-	3	1,262	-
Cash and Equivalents Other	2	-	160	1	163	-
Investments	3,007	1,360	66,518	9,889	80,774	-
Restricted Investments	224,318	3,533	-	5,330	233,181	15
Receivables (Net of Allowance)	10,707	16,784	318	8,524	36,333	958
Due From Other:						
Funds	6,955	45,356	-	6,901	59,212	33,275
Inventory of Supplies	4,769	873	26	-	5,668	803
Total Current Assets	250,952	68,093	77,947	30,654	427,646	35,051
<u>Noncurrent:</u>						
Land and Construction in Progress	66,050	172,030	-	8,868	246,948	465
Other Capital Assets, net of Accumulated Depreciation	174,928	392,819	157	32,901	600,805	21,103
Total Noncurrent Assets	240,978	564,849	157	41,769	847,753	21,568
Total assets	491,930	632,942	78,104	72,423	1,275,399	56,619
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized Bond Insurance	137	21	-	-	158	-
LIABILITIES						
<u>Current:</u>						
Accounts Payable	5,986	3,216	118	278	9,598	1,678
Customer Deposits	2,684	558	1	421	3,664	317
Retainage	383	2,390	-	153	2,926	-
Due to Other:						
Funds	-	-	74,961	5,920	80,881	-
Governments	16	49	-	11	76	-
Other Current Liabilities	-	-	-	-	-	17,758
Accrued Interest Payable	1,869	4,074	-	61	6,004	-
Accrued Wages and Benefits	747	1,004	444	192	2,387	487
Current Portion of:						
Compensated Absences Payable	17	8	-	5	30	-
Bonds, Loans and Notes Payable, net	7,906	18,359	-	1,476	27,741	4,500
Total Current Liabilities	19,608	29,658	75,524	8,517	133,307	24,740
<u>Noncurrent:</u>						
Compensated Absences Payable	1,396	2,034	1,011	338	4,779	-
Bonds, Loans and Notes Payable, net	308,826	322,598	-	18,231	649,655	-
Total Noncurrent Liabilities	310,222	324,632	1,011	18,569	654,434	-
Total Liabilities	329,830	354,290	76,535	27,086	787,741	24,740
NET POSITION						
Net Investment in Capital Assets	127,754	224,832	157	39,005	391,748	17,083
Restricted:						
Debt Service	3,456	6,500	-	22	9,978	-
Replacement	21,319	41,077	-	16,472	78,868	-
Improvement	100	100	-	100	300	-
Unrestricted	9,608	6,164	1,412	(10,262)	6,922	14,796
Total Net Position	\$ 162,237	\$ 278,673	\$ 1,569	\$ 45,337	\$ 487,816	\$ 31,879

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

City of Toledo, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year ended December 31, 2014
(Amounts in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
						Activities
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services	\$ 57,205	\$ 69,688	\$ 12,163	\$ 12,282	\$ 151,338	\$ 28,590
Other Revenue	-	202	-	3,964	4,166	430
Total Operating Revenue	<u>57,205</u>	<u>69,890</u>	<u>12,163</u>	<u>16,246</u>	<u>155,504</u>	<u>29,020</u>
OPERATING EXPENSES						
Personnel Services	13,564	17,503	7,879	3,431	42,377	7,495
Contractual Services	10,351	13,994	3,640	2,553	30,538	9,639
Materials and Supplies	8,739	2,604	602	466	12,411	8,010
Utilities	2,646	3,301	38	732	6,717	1,853
Depreciation	5,471	14,800	17	1,387	21,675	2,221
Total Operating Expenses	<u>40,771</u>	<u>52,202</u>	<u>12,176</u>	<u>8,569</u>	<u>113,718</u>	<u>29,218</u>
Operating Income (Loss)	<u>16,434</u>	<u>17,688</u>	<u>(13)</u>	<u>7,677</u>	<u>41,786</u>	<u>(198)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	1,367	13	281	157	1,818	-
Interest Expense and Fiscal Charges	(12,701)	(10,972)	-	(723)	(24,396)	(37)
Gain (Loss) on Sale of Capital Assets	17	-	-	656	673	(3)
Total Nonoperating Revenues (Expenses)	<u>(11,317)</u>	<u>(10,959)</u>	<u>281</u>	<u>90</u>	<u>(21,905)</u>	<u>(40)</u>
Income (Loss) Before Transfers and Contributions	5,117	6,729	268	7,767	19,881	(238)
Capital Contributions	-	1,611	-	872	2,483	-
Transfers In	-	-	-	1,624	1,624	-
Transfers Out	(75)	(75)	-	(2,674)	(2,824)	-
Change in Net Position	5,042	8,265	268	7,589	21,164	(238)
Net Position at January 1	157,195	270,408	1,301	37,748	466,652	32,117
Net Position at December 31	<u>\$ 162,237</u>	<u>\$ 278,673</u>	<u>\$ 1,569</u>	<u>\$ 45,337</u>	<u>\$ 487,816</u>	<u>\$ 31,879</u>

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

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Utility		Total	
			Administrative Services	Nonmajor		
Operating activities:						
Cash received from customers	\$ 56,253	\$ 69,605	\$ 28,060	\$ 17,086	\$ 171,004	\$ 28,479
Cash paid to employees	(14,008)	(18,098)	(7,925)	(3,553)	(43,584)	(7,344)
Cash paid to suppliers	(26,033)	(22,890)	(4,502)	(3,884)	(57,309)	(21,606)
Other receipts	-	202	-	3,964	4,166	430
Net cash provided by (used by) operating activities	16,212	28,819	15,633	13,613	74,277	(41)
Noncapital financial activities:						
Transfers in	-	-	-	1,624	1,624	-
Transfers out	(75)	(75)	-	(2,674)	(2,824)	-
Net cash provided by (used by) noncapital financing activities	(75)	(75)	-	(1,050)	(1,200)	-
Capital and related financing activities:						
Proceeds from capital grants and contributions	-	1,611	-	872	2,483	-
Proceeds from the sales of assets	17	-	-	1,511	1,528	-
Purchases of property, plant and equipment	(31,601)	(30,300)	(1)	(9,119)	(71,021)	(892)
Principal payments	(8,836)	(18,650)	-	(1,262)	(28,748)	(275)
Proceeds from the issuance of bonds, loans, and notes	18,600	27,953	-	43	46,596	1,245
Interest and fiscal charges paid on bonds, loans and notes	(12,708)	(10,888)	-	(736)	(24,332)	(37)
Net cash provided by (used by) capital and related financing activities	(34,528)	(30,274)	(1)	(8,691)	(73,494)	41
Investing activities:						
Proceeds from sales and maturities of investments	129,877	1,374	46,710	6,584	184,545	-
Purchase of investments	(130,411)	(3,500)	(60,661)	(10,635)	(205,207)	-
Investment income received on investments	1,325	13	194	156	1,688	-
Net cash provided by (used by) investing activities	791	(2,113)	(13,757)	(3,895)	(18,974)	-
Increase (decrease) in cash and cash equivalents	(17,600)	(3,643)	1,875	(23)	(19,391)	-
Cash and cash equivalents at beginning of year	18,796	3,830	9,210	33	31,869	-
Cash and cash equivalents at end of year	<u>\$ 1,196</u>	<u>\$ 187</u>	<u>\$ 11,085</u>	<u>\$ 10</u>	<u>\$ 12,478</u>	<u>\$ -</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:						
Operating income (loss)	\$ 16,434	\$ 17,688	\$ (13)	\$ 7,677	\$ 41,786	\$ (198)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:						
Depreciation	5,471	14,800	17	1,387	21,675	2,221
Increase (decrease) in allowance for doubtful accounts	421	(166)	-	437	692	-
Changes in assets and liabilities:						
Receivables	(1,373)	83	(190)	(345)	(1,825)	(426)
Due to (from) other:						
Funds	(6,883)	(4,828)	16,087	4,330	8,706	(3,177)
Governments	16	49	-	11	76	-
Inventory of supplies	(353)	(288)	49	-	(592)	480
Accounts payable	3,539	1,176	56	159	4,930	908
Customer deposits	(726)	(132)	(327)	3	(1,182)	-
Retainage	110	1,032	-	76	1,218	-
Accrued wages and benefits	10	43	37	(16)	74	183
Compensated absences	(454)	(638)	(83)	(106)	(1,281)	(32)
Net cash provided by (used by) operating activities	<u>\$ 16,212</u>	<u>\$ 28,819</u>	<u>\$ 15,633</u>	<u>\$ 13,613</u>	<u>\$ 74,277</u>	<u>\$ (41)</u>

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

City of Toledo, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2014
(Amounts in Thousands)

	Agency Funds
ASSETS	
Cash and Equivalents:	
Cash and Equivalents Other	\$ 1,122
Receivables (Net of Allowance)	2,688
Total Assets	3,810
LIABILITIES	
Accounts Payable	114
Deposits	3,696
Total Liabilities	3,810

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

**NOTES TO THE
FINANCIAL STATEMENTS**

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Toledo, Ohio (City) was incorporated January 7, 1837, and operates under its Charter adopted in November 1914. The City may exercise all powers of local self-government granted under Article XVIII, Section 3, of the Ohio Constitution, not in conflict with applicable general laws of Ohio. The Charter provides that the City operate under the strong mayor/council form of government.

The Financial Statements of the City have been prepared in conformity with Accounting Principles Generally Accepted in the United State of America (GAAP) as applied to local government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the Financial Statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. The reporting entity of the City includes the following services as authorized by its Charter: Public Safety, Highways and Streets, Water and Sanitation, Health and Social Services, Culture-Recreation, Public Improvements, Planning and Zoning and General Administrative Services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body, and (1) the City is able to significantly influence the programs and services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt, or the levying of taxes for the organization. The City has no component units.

Jointly Governed Organizations

City of Toledo-City of Rossford

In February 1992, the City entered into a contract with City of Rossford to create a Joint Economic Development Zone (JEDZ). The purpose of this contract is to facilitate planned, orderly, new and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of Toledo and Rossford and their residents and all of the residents of the region.

The zone has helped foster successful retail and other developments in the zone. The agreement results in an income tax that shall be imposed based on the City of Rossford's Municipal Code at a rate of 2.25%. The City will receive approximately 27.33% of the net revenues generated by this agreement. The City received \$95 in revenues from the JEDZ in 2014.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-City of Maumee-Monclova Township

In October 2003 and amended in 2010, the City entered into a contract with City of Maumee and Monclova Township to create a JEDZ. The purpose of this contract is to facilitate planned, orderly, new, and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of Toledo, Maumee and Monclova, and their residents and all of the residents of the region. The agreement results in an income tax that shall be imposed based on the City of Maumee's Municipal Code at a rate of 1.5%. The City will receive one-fourth of the net revenues generated by this agreement. The City received \$1,189 in revenues from the JEDZ in 2014.

City of Toledo-City of Sylvania

In July 2008, the City entered into a revenue sharing contract with the City of Sylvania. The purpose of this contract is to facilitate new and expanded commercial growth or economic development in the State and the City of Sylvania. The agreement results in an income tax that shall be imposed based on the City of Sylvania's Municipal Code at a rate of 1.5%. The City will receive 40% of the net revenues in excess of the baseline revenues established yearly generated by this agreement. The City received \$12 in revenues from this agreement in 2014.

City of Toledo-Perrysburg Township

In October 2008, the City entered into a contract with Perrysburg Township to create a Joint Economic Development District (JEDD). The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in a payroll income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25% paid by employees of businesses located in the District. The City will receive the first \$223 of revenues and 50% of the remaining revenues generated by this agreement. The City received \$27 in revenues from the JEDD in 2014.

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City did not receive revenues from the JEDD in 2014.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-Troy Township

In September 2010, the City entered into a contract with Troy Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City received \$24 in revenues from the JEDD in 2014.

Corrections Commission of Northwest Ohio

In 1987, the City entered into a joint contractual agreement with five counties (Defiance, Fulton, Henry, Lucas and Williams) to form the Corrections Commission of Northwest Ohio (Commission) to oversee the construction and operation of a regional jail. The mission of the Commission is to protect the public, employees and offenders, while operating a cost effective detention center. Each member jurisdiction paid their share of the capital cost of construction of the facility (approximately \$21.3 million). The State of Ohio reimbursed \$10.7 million or 50% of the total capital cost of construction as an incentive to build regional jails.

The six member jurisdiction share in the cost of operation of the Commission based upon the number of beds each are allocated. The funding percentages to each jurisdiction are as follows: City of Toledo – 37.63%, Lucas County – 31.03%, Defiance County – 9.4%, Fulton County – 8.15%, Williams County – 8.15% and Henry County – 5.64%. The six member jurisdictions each have three representatives (county commissioner/city manager, chief of police/sheriff and a judge) to serve on the eighteen member board. The degree of control exercised over the Commission by each member jurisdiction is limited to budgeting and financing. The City contributed \$5,581 for the operation of the Commission in 2014. Financial information can be obtained from the Commission's administrative office located at 3151 County Road 2425, Stryker, OH 43557-9418.

Basis of Presentation

The City's basic Financial Statements consist of Government-Wide Statements, including a Statement of Net Position and Statement of Activities, as well as Fund Financial Statements which provide a more detailed level of financial information. The Government-Wide Statements report all of the assets, deferred outflows, liabilities, deferred inflows, revenues and expenses of the City. Governmental Activities are reported separately from Business-Type Activities. Governmental Activities are normally supported by taxes and intergovernmental revenues whereas Business-Type Activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary Funds of the City are not included in these Government-Wide Financial Statements; however, separate Financial Statements are presented for the Fiduciary Funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except Fiduciary Funds. The activities of the Internal Service Funds are eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are Governmental and those that are considered Business-Type Activities.

The Statement of Net Position presents the financial condition of the Governmental and Business-Type Activities of the City at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's Governmental Activities and Business-Type 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 (a) charges paid by the recipient of the goods and services offered by the program and (b) grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

During the year, the City segregates transactions related to specific City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund Financial Statements are designed to present financial information of the City at a more detailed level. The focus of Governmental and Enterprise Funds Financial Statements is on Major Funds. Each Major Fund is presented in a separate column. Non-Major Funds are aggregated and presented in a single column. The Internal Service Fund is presented in a single column on the Proprietary Fund Statements. Fiduciary Funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as Governmental, Proprietary and Fiduciary.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Governmental Funds:

Governmental Funds are those through which most governmental functions typically are financed. Governmental reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they may or must be used. Current Liabilities are assigned to the fund from which they will be paid. The difference between Governmental Fund Assets, Liabilities and Deferred Inflows is reported as Fund Balance. The following are the City's major Governmental Funds:

General Fund: Accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Improvements Fund: Accounts for construction, improvements and acquisition of building and infrastructure.

Special Assessment Services Fund: Accounts for the proceeds of special assessments (and related note sales) levied against property owners benefiting from the City's services.

Proprietary Funds:

Proprietary Fund reporting focuses on changes in net position, financial position and cash flows.

Enterprise Funds: Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has separate Enterprise Funds for the following major enterprises: water, sewer, and utility administrative services.

Water: To account for the operations of the water treatment and distribution systems operated of the City. The Department also provides water services to several areas outside of the City. The water supply is collected from Lake Erie. Revenue is generated by charges that are set a level sufficient to provide funds for the costs of operating, maintaining and providing necessary replacements and improvements and for the debt service requirements on outstanding debt.

Sewer: To account for the operations of the sanitary sewage collection and treatment systems operated of the City. Revenue is generated by charges that are set a level sufficient to provide funds for the costs of operating, maintaining and providing necessary replacements and improvements and for the debt service requirements on outstanding debt.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Proprietary Funds (continued):

Utility Administrative Services: To provide comprehensive billing, collections and customer services/ relations in an efficient, cost-effective and responsive manner to residents, businesses and governmental jurisdictions within the greater Toledo metropolitan areas, as well as administrative support for the Department of Public Utilities. Senior clerks are available to assist with water/sewer service contracts, billing problems, inspections, payment agreements, remote installations and many other customer service needs.

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

Fiduciary Funds:

The City's only Fiduciary Fund reporting focuses on assets and liabilities.

Agency funds: Agency Funds are used to account for assets held by the City as an agent for individuals, private organization, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's primary Agency Funds are the Municipal Court and a General Agency Fund whereas the City is a collection agent for various licenses, fees and taxes for the State of Ohio.

Measurement Focus

Government-Wide Financial Statements:

The Government-Wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflow of resources, liabilities and deferred inflow of resources associated with the operation of the City are included on the Statement of Net Position, except Fiduciary Funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net position.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

Fund Financial Statements:

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. Using this method, only current assets, current liabilities and deferred inflows of resources are generally included on the Balance Sheet. The Statement of Revenue, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the Governmental Activities of the Government-Wide Financial Statements are prepared. Governmental Fund Financial Statements therefore include reconciliations with brief explanations to better identify the relationship between the Government-Wide Statements and the Statements for Governmental Funds.

Like the Government-Wide Statements, all Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflow of resources, liabilities and deferred inflow of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its Proprietary Activities.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Funds. For the City, these revenues are charges for services for all major and non-major Proprietary Funds and charges for goods and services to other departments provided by the Internal Service Funds. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the fund.

Agency Funds do not report a measurement focus as they do not report operations.

Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the Financial Statements. The Government-Wide as well as the Fiduciary Funds and Proprietary Fund Financial Statements are prepared using the accrual basis of accounting. The Governmental Funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

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. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities for the current fiscal year. For the City, available means expected to be received within sixty days after year-end.

Non-exchange Transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Under the accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 4). Revenue from property taxes is recognized in the year in which the taxes are levied (see Note 5).

Revenue from grants, entitlements and donations is recognized in the 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 year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied local shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred Outflows/Inflows of Resources

The statement of financial position will sometimes report a section separate from assets for *deferred outflows of resources*. This separate element of the financial statement represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. Currently, the City has one item that qualifies for reporting in this category – which is the costs associated with prepaid debt insurance.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The statement of financial position will sometimes report a section separate from liabilities for *deferred inflows of resources*. This separate element of the financial statement represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations have been recorded as Deferred Inflows. In addition, income taxes, special assessments and receivables not received within the available period; as well as grants and entitlements received before the eligibility requirements are met have been reported on governmental funds reports as Deferred Inflows.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of Governmental Fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental Funds.

Budgetary Information

Annual budgets are adopted for all Governmental Funds other than capital projects funds on the GAAP basis in that revenues are recorded when earned and expenditures are recorded when incurred. Capital projects funds adopt project-length budgets at the time bonds are sold or other funding sources are determined. The City maintains budgetary controls by not permitting expenditures to exceed appropriations at the account for each division within each fund.

Cash and Cash Equivalents

Cash balances of the City's funds are pooled and invested in order to provide improved cash management. Monies for all funds are maintained in this pool. All of the City's depository accounts are maintained by the General Fund and reported on the Statement of Net Position as "Cash and Cash Equivalents with Treasurer."

Investments were limited to certificates of deposit, Federal Government Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). Except for non-participating investment contract, investments are stated at fair value which is based on quoted market prices. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments with 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 December 31, 2014.

For the purposes of the Statement of Cash Flows, the Proprietary Funds consider all highly liquid investments held by treasurer with an original maturity date of three months or less when purchased, to be Cash Equivalents. In addition, all cash with treasurer and other cash are also considered to be Cash Equivalents because they are available to the Proprietary Fund on demand.

Inventory of Supplies

Inventories are valued at cost in utilizing the First-In, First-Out (FIFO) method for both Governmental Funds and Proprietary Funds and are expensed when used.

Restricted Assets

Restricted Assets are those that are legally restricted in their use by bond indentures, or other legal instruments.

Capital Assets

General Capital Assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from the expenditures in the Governmental Funds. These assets are reported in the Governmental Activities column of the Government-Wide Statement of Net Position but not reported in the Governmental Fund Financial Statements. Capital Assets utilized by the Proprietary Funds are reported both in the Business-Type Activities column of the Government-Wide Statements of Net Position and in the respective funds.

All Capital Assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated Capital Assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. The City's infrastructure consists of bridges, curbs and gutters, lighting, sidewalks, roads, drainage systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Interest incurred during the construction of capital assets are capitalized in the proprietary funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

All reported Capital Assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related Capital Assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	35-50 years
Improvements other than buildings	10-20 years
Machinery and Equipment	5-25 years
Furniture and fixtures	8-20 years
Infrastructure	20-50 years
Distribution systems	100 years

Interfund Balances

On Fund Financial Statements, outstanding Interfund loans and unpaid amounts for Interfund services are reported as "due to/from". Interfund balance amounts are eliminated in the Statement of Net Position.

Compensated Absences

The City follows the provisions of Governmental Accounting Standards board No. 16, *Accounting for Compensated Absences*. Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the city will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the Balance Sheet date, and reduced to the maximum payments allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the Government-Wide Financial Statements.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

On Governmental Fund Financial Statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due during each period upon the occurrence of employee resignations and retirements. For Proprietary Funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables and accrued liabilities and long-term obligations payable from the Governmental Funds are reported in the Government-Wide Financial Statements and all payables, accrued liabilities and long-term obligations payable from Proprietary Funds are reported on the Proprietary Fund Financial Statements.

In general, once Governmental Fund payables and accrued liabilities have incurred, they are paid in a timely manner and in full from current financial resources and reported as obligations of the funds. However, claims, judgments and compensated absences that will be paid from Governmental Funds are reported as a liability in the Fund Financial Statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the Fund Financial Statements when due.

Debt Insurance Costs, Premiums, Discounts and Deferred Amount on Refunding

On Government-Wide Financial Statements, bond insurance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond insurance costs are reported as a separate line item on the Statement of Net Position as a deferred outflow.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction of the face amount of the bonds.

For advance refunding resulting in the defeasance of debt in the Government-Wide Financial Statements and in the Proprietary Funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt, if material.

Interfund Activity

Transfers between Governmental and Business-Type Activities on the Government-Wide Statements are reported in the same manner as general revenues.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity (continued)

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 non-operating 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 basic Financial Statements.

Fund Balance Classifications

Fund Balance for Governmental Funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is “bound to honor constraints on the specific purposes for which amounts in the fund can be spent” in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The components for reporting the City’s Fund Balance are non-spendable, restricted, committed, assigned and unassigned. Non-spendable Fund Balance includes those amounts that are not in a spendable form such as inventory. Restricted Fund Balance includes those amounts that are restricted by parties outside of the City or pursuant to enabled legislation. Committed Fund Balance describes the portion of the Fund Balance that has been limited to use by approval of City Council. City Council is the City’s highest level of decision making. Fund balance commitments are established, modified or rescinded by City Council action through passage of an ordinance. Assigned Fund Balance includes amounts that have been intended use by City Council. City Council demonstrates its intent for use of assigned amounts through passage of appropriation legislation or resolution. The Unassigned Fund Balance represents the residual net resources in General Fund and deficits in other Governmental Funds.

The City considers restricted amounts to have been spent when expenditure is incurred for purposes of which both restricted and unrestricted Fund Balance is available. The City does not have a formal policy for its use of unrestricted Fund Balance amounts; therefore, it considers committed amounts used first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted Fund Balance classification could be used.

Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Actual results may differ from those estimates.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net Position represents the difference between assets, deferred outflow of resources, liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by the creditors, grantors or laws or regulation of other governments.

NOTE 2 – DEPOSITS AND INVESTMENTS

The City's investment policy allows for the following types of deposits and investments:

1. Direct obligations of the United States which include, but are not limited to, Treasury certificates, bills, bonds, notes as well as United States Treasury obligations, State and Local Government Series;
2. Bonds, notes, debentures or any other obligation or securities issued by the following Federal Government agencies or instrumentalities: Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement is at least equal to 100% of the price at which the repurchase securities are to be repurchased from the City, or such greater percentage as is agreed upon by the seller and the City prior to or upon entering into a particular transaction;
4. Bonds, notes and other negotiable instruments evidencing the obligation of the City to pay money;
5. Bonds, notes and other negotiable instruments of political entities other than the City which are rated at the time of acquisition by Moody's or Standard and Poor's in at least the third highest category when rated with a long term rating or in the highest category when rated with a short term rating;
6. The State Treasurer's investment pool (STAR Ohio).
7. Demand deposits which are deposited with an institution having all of the qualifications of a depository except that it needs only have an office located in the State rather than in the City and payable on demand of the City. Such deposits may include interest-bearing or non-interest bearing checking accounts, NOW accounts, savings accounts and other similar accounts authorized by the Federal Reserve Bank Board or the Federal Home Bank Board.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

8. Non-demand savings accounts which are deposited in an institution having all of the qualifications of a depository except that it need only have an office located in the State rather than in the City that are not payable on demand but, instead, are payable at a certain date.
9. Negotiable or non-negotiable interest-bearing time certificates of deposit representing deposits of the City placed in an institution having all of the qualifications of a Depository except that it need only have an office located in the State rather than in the City.
10. Federally insured certificates of deposit initiated through a Federal Deposit Insurance Corporation member bank or savings and loan association having an office in Lucas County and under an arrangement whereby the full amount of the deposit is allocated among a reciprocal network of participating Federal Deposit Insurance Corporation member banks or savings and loan associations, wherever located, such that the full amount of the City's deposit is covered by federal deposit insurance
11. The STAR Plus Federally Insured Cash Account, an investment program offered in conjunction with STAR Ohio under which funds invested through the program are deposited in various federally insured banks, savings banks or savings and loan associations located anywhere in the United States in such a manner that the full amount of the public moneys deposited is covered by federal deposit insurance.

A qualified depository is a bank, trust company or savings and loan association organized under the laws of the State or under the laws of the United States, doing business and situated in the State and

1. Has an office located in the City which is capable of providing services requested by the City
2. Has deposits which are insured by the Federal Deposit Insurance Corporation
3. Has Equity Capital in excess of \$50 million or has been approved by an ordinance of City Council following completion of the appeal process
4. Carries a holding company Long Term Issuer Default Rating by Fitch of BBB or better
5. Provides collateralization as required by the City's Municipal Code.

An investment must mature within three years from the date of purchase unless matched to a specific obligation or debt of the City. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Under both the Ohio Revised Code and the City’s Municipal Code, the City’s deposits are subject to a collateralization requirement by either specific or pooled securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the City or the depository bank.

At December 31, 2014, the carrying amount of the City’s deposits was \$23,376 and the bank balance was \$26,003. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account. The City also has un-invested cash in the amount of \$1,262 being held by a third party trustee. This amount is less than the previous year due to the purchase of additional investments. The City also has petty cash funds of \$13 held by departments that are not covered by Federal Depository Insurance or collateralized.

At December 31, 2014, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$1,122 and the bank balance was \$1,517. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account.

Cash and cash equivalents other

At December 31, 2014, the carrying amount of the General Fund was \$10 which represented a fiduciary deposit in transit. The carrying amount of the Utility Administrative Services fund was \$160 which represented utility customer payments in transit.

Investments

Investments are reported at fair value. As of December 31, 2014, the City had the following investments:

	Maturity		Total
	Within One Year	More than One Year but Less than Three Years	
Federal Farm Credit Bank	\$ -	\$ 81,978	\$ 81,978
Federal Home Loan Bank	-	101,451	101,451
Federal Home Loan Mortgage Corp	2,004	86,925	88,929
Federal National Mortgage Association	22,770	44,802	67,572
STAR Ohio	11,253	-	11,253
STAR Plus Deposits	1,012	-	1,012
Certificates of Deposit/Savings	13	-	13
US Treasury	11,365	-	11,365
	\$ 48,417	\$ 315,156	\$ 363,573

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

The City follows GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, which requires certain disclosures related to the interest rate, custodial, credit, foreign currency and concentration of credit risks associated with interest-bearing investments.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy generally limits security purchases to those that mature within three years of the settlement date unless the maturity is matched with a specific cash requirement which states that the maturity cannot exceed seven years of the settlement date. The City's investment policy addresses interest risk requiring the consideration of market conditions and cash flow requirements in determining the term of the investments.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payments for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Credit Risk for investments is addressed by the City's investment policy requirement that all investments are authorized by Code and that the portfolio be diversified both by types of investment and issuer. STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. All other investments of the City except for U.S. Treasury investments are registered and carry an AA+ rating by Standard and Poor's.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The City's investment policy does not allow for investment in foreign accounts.

Concentration of Credit Risk is defined by GASB as five percent or more in the securities of a single issuer. The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The City places the following limitations on the amount that can be invested in any one issuer:

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.
2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.
4. No more than 40 percent of the aggregate principal amount of the City’s investment portfolio shall be invested at any one time in STAR Ohio. Within this 40 percent, up to \$15,000,000 may be further invested through a STAR Plus Federally Insured Cash Account.
5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City’s investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.
6. The maximum aggregate amount that may be invested for a period longer than 3 years for any one fund shall be 25 percent of the lowest total of all outstanding investments for that fund which occurred during the 12 months immediately prior to the purchase of any security with maturity longer than 3 years. Compliance with this limitation shall be determined as of the settlement date only.
7. City securities shall not exceed 10 percent of the aggregate principal amount of the City’s investment portfolio, calculated only as of the date of purchase of such City securities. Unless otherwise specified in the ordinance authorizing their issuance, sale and purchase by the City; these securities shall only be purchased to provide interim financing in anticipation of the sale of City debt in the outside market.

The following is the City’s allocation as of December 31, 2014:

	Fair Value	% of Total
Federal Farm Credit Bank	\$ 81,978	22.55
Federal Home Loan Bank	101,451	27.90
Federal Home Loan Mortgage Corp	88,929	24.46
Federal National Mortgage Association	67,572	18.59
STAROhio	11,253	3.09
STAR Plus Deposits	1,012	0.28
Certificates of Deposit/Savings	13	0.00
US Treasury	11,365	3.13
Total Portfolio	\$ 363,573	100.00

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2014 consist of the following:

	Taxes	Customer and Other	Special Assessments	Notes Receivable
<i>Governmental Activities:</i>				
General Fund	\$ 38,014	\$ 10,797	\$ -	\$ -
Capital Improvement	-	5,447	-	-
Special Assessment	-	108	55,094	-
Other Governmental Funds	-	19,364	1,270	30,614
Total Governmental Funds	<u>38,014</u>	<u>35,716</u>	<u>56,364</u>	<u>30,614</u>
<i>Business-Type Activities:</i>				
Water	-	15,085	-	-
Sewer	-	24,685	-	-
Utility Administrative Services	-	191	-	-
Other Business-Type Activities	-	6,115	-	22,730
Total Business-Type Activities	<u>-</u>	<u>46,076</u>	<u>-</u>	<u>22,730</u>
Internal Service	<u>-</u>	<u>1,305</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 38,014</u>	<u>\$ 83,097</u>	<u>\$ 56,364</u>	<u>\$ 53,344</u>

	Interest Receivable	Gross Receivables	Less: Allowance for Uncollectibles	Receivables Net
<i>Governmental Activities (continued):</i>				
General Fund	\$ 33	48,844	\$ (13,488)	\$ 35,356
Capital Improvement	-	5,447	(3,456)	1,991
Special Assessment	-	55,202	-	55,202
Other Governmental Funds	3	51,251	(29,524)	21,727
Total Governmental Funds	<u>36</u>	<u>160,744</u>	<u>(46,468)</u>	<u>114,276</u>
<i>Business-Type Activities (continued):</i>				
Water	303	15,388	(4,681)	10,707
Sewer	1	24,686	(7,902)	16,784
Utility Administrative Services	127	318	-	318
Other Business-Type Activities	30	28,875	(20,351)	8,524
Total Business-Type Activities	<u>461</u>	<u>69,267</u>	<u>(32,934)</u>	<u>36,333</u>
Internal Service	<u>-</u>	<u>1,305</u>	<u>(347)</u>	<u>958</u>
Total	<u>\$ 497</u>	<u>\$ 231,316</u>	<u>\$ (79,749)</u>	<u>\$ 151,567</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 4 – INCOME TAXES

The City levies a Municipal Income Tax of 2.25% on substantially all income earned within the City. The residents of the City are required to pay income tax on the income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current income tax rate. The City income tax also applies to the net income of businesses located or doing business within the City limits.

The first 1.5% of the income tax is a permanent levy, of which .25% of this tax is dedicated to capital improvements. There is an additional .75% that is levied which was renewed January 1, 2013 for an additional four years. Of this additional tax, .25% is also dedicated for capital improvements. The required transfers to the Capital Improvements Fund for 2014 have been completed. The City's voters renewed Issue 5 in January 2013 which allows the City to use a portion of the .75% for operating expenditures rather than for capital improvements. This allows money to move from the Capital Improvements Fund to the General Fund through December 31, 2016.

Employers within the City are required to withhold income tax on employee compensation and to remit the tax to the City either monthly or quarterly. Corporations and certain individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City administers the collection of income taxes and the assessments of interest and penalties. Income tax proceeds are to be used to pay the cost of administering the tax and recorded in the General Fund.

NOTE 5 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of the preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years.

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first is due December 31, with the remainder payable by June 20. Under circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 34.4 percent of true value. The 2014 public utility property taxes became a lien on December 31, 2013, were levied on October 1, 2014 and will be collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 5 – PROPERTY TAX (continued)

The County Treasurer collected property taxes on behalf of all taxing districts in the County, including the City of Toledo. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014 and for which there is an enforceable legal claim. In the Government Funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2014 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	\$	161,170
Real Property (Other than Public Utility)		3,039,205
Total Assessed Value	\$	3,200,375

Special Assessment Services, Improvements and Bond Retirement

The City provides special services primarily for snow removal, leaf pickup, street resurfacing and street lighting. These services are assessed in the real estate tax bills to the benefited property owners. The City pays the actual costs of these services, which are then levied as special assessments and collected two years after the service has been rendered.

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. These improvements include streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. Upon completion of the approved projects, the notes are converted to long-term bonds, which are assessed over a 5 or 10 year period depending on the type and cost of the improvement.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the Governmental Activities for the year ended December 31, 2014, was as follows:

<i>Governmental Activities:</i>	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 24,641	\$ 3,747	\$ -	\$ 28,388
Construction in Progress	100,289	38,432	(51,635)	87,086
Total Capital Assets not being Depreciated	<u>124,930</u>	<u>42,179</u>	<u>(51,635)</u>	<u>115,474</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	68,946	100	-	69,046
Furniture & Fixtures	9,740	279	-	10,019
Improvements	74,222	5,630	-	79,852
Infrastructure	829,094	31,577	-	860,671
Machinery & Equipment	166,695	5,896	(336)	172,255
Total Capital Assets being Depreciated	<u>1,148,697</u>	<u>43,482</u>	<u>(336)</u>	<u>1,191,843</u>
<i>Less: Accumulated Depreciation</i>				
Buildings	31,679	1,398	-	33,077
Furniture & Fixtures	5,472	504	-	5,976
Improvements	23,911	3,565	-	27,476
Infrastructure	521,342	23,653	-	544,995
Machinery & Equipment	120,004	10,767	(19)	130,752
Total Accumulated Depreciation	<u>702,408</u>	<u>39,887</u>	<u>(19)</u>	<u>742,276</u>
Total Capital Assets being Depreciated, net	<u>446,289</u>	<u>3,595</u>	<u>(317)</u>	<u>449,567</u>
Governmental Type Activities Capital Assets, net	<u>\$ 571,219</u>	<u>\$ 45,774</u>	<u>\$ (51,952)</u>	<u>\$ 565,041</u>

Depreciation expense was charged to functions of the Governmental Activities as follows:

General Government	\$ 4,203
Public Service	22,038
Public Safety	6,734
Public Utility	2,220
Community Environment	416
Health	1,060
Parks and Recreation	3,216
Total Depreciation Expense - Governmental Activities	<u>\$ 39,887</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS (continued)

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2014, the Department owned approximately 99 parcels at an estimated historical cost of \$1,088. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

Capital asset activity for the Business-Type Activities for the year ended December 31, 2014, was as follows:

<i>Business-Type Activities:</i>	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 4,322	\$ -	\$ (856)	\$ 3,466
Construction in Progress	181,602	68,149	(6,269)	243,482
Total Capital Assets not being Depreciated	185,924	68,149	(7,125)	246,948
 <i>Capital Assets being Depreciated:</i>				
Buildings	51,935	-	(99)	51,836
Furniture & Fixtures	1,993	-	-	1,993
Improvements	96,301	638	(2,790)	94,149
Infrastructure	800,400	6,258	-	806,658
Machinery & Equipment	120,191	2,245	-	122,436
Total Capital Assets being Depreciated	1,070,820	9,141	(2,889)	1,077,072
 <i>Less: Accumulated Depreciation</i>				
Buildings	27,786	540	(99)	28,227
Furniture & Fixtures	1,467	107	-	1,574
Improvements	27,981	3,982	(2,790)	29,173
Infrastructure	322,242	9,721	-	331,963
Machinery & Equipment	78,005	7,325	-	85,330
Total Accumulated Depreciation	457,481	21,675	(2,889)	476,267
Total Capital Assets being Depreciated, net	613,339	(12,534)	-	600,805
Business-Type Activities Capital Assets, net	<u>\$ 799,263</u>	<u>\$ 55,615</u>	<u>\$ (7,125)</u>	<u>\$ 847,753</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions of the Business-Type Activities as follows:

Water	\$ 5,471
Sewer	14,800
Utility Administrative Services	17
Non-Major	<u>1,387</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 21,675</u>

NOTE 7 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2014 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2014	Increase	Decrease	Balance 12/31/2014	Amount Due In One Year
General Obligations:								
Capital Projects	2015	1.25-1.36	\$ 574	\$ 574	\$ 3,202	\$ (578)	\$ 3,198	\$ 3,198
Special Assessments	2015	1.25	4,175	3,760	4,175	(3,760)	4,175	4,175
Internal Service Funds	2015	1.25	1,245	275	1,245	(275)	1,245	1,245
Building	2015	1.375	3,255	3,255	6,514	(6,514)	3,255	3,255
Revenue Obligations:								
Assessed Services 2012	2014	1.36	16,000	16,000	-	(16,000)	-	-
Assessed Services 2013	2015	1.25	19,800	19,800	-	-	19,800	19,800
Assessed Services 2014	2016	1.41	20,900	-	20,900	-	20,900	-
				<u>\$ 43,664</u>	<u>\$ 36,036</u>	<u>\$ (27,127)</u>	<u>\$ 52,573</u>	<u>\$ 31,673</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2014 and a schedule of current year activity are as follows:

Government Activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2014	Increase	Decrease	Balance 12/31/2014	Amount Due In One Year
General Obligation Bonds:									
Capital Projects	Various	Various	1.5 - 6.08	\$ 182,710	\$ 116,522	\$ 23,312	\$ (16,251)	\$ 123,583	\$ 13,243
Special Assessments	Various	Various	1.55 - 5.0	115	75	-	(10)	65	10
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Capital Projects	Various	Various	0	10,040	4,315	693	(687)	4,321	708
Ohio Water Dev Authority									
Capital Projects	Various	Various	4.02 - 4.12	9,843	4,490	-	(548)	3,942	570
ODOD Chapter 166									
Capital Projects	1998	2018	4	10,000	3,562	-	(682)	2,880	709
Economic Development	2010	2020	1.00	2,750	2,750	-	(2,750)	-	-
State Infrastructure Bank									
Capital Projects	2009	2019	3	3,968	3,117	851	-	3,968	346
Federal Agencies:									
HUD 108									
Capital Projects	Various	Various	6.56 - 7.96	24,140	9,290	-	(1,620)	7,670	1,715
Other Loans:									
Capital Projects	Various	Various	0 - 6.55	18,201	11,713	-	(742)	10,971	768
Capital Lease Obligations:									
Fire Ambulances II	2010	2015	3.428	1,185	493	-	(242)	251	251
Police Vehicles	2013	2015	1.15	3,386	2,709	-	(1,354)	1,355	1,355
Ambulance	2012	2017	1.66	1,413	1,140	-	(278)	862	283
Landfill Vehicles	2012	2016	1.60	1,588	1,201	-	(394)	807	400
Fire Rescue Squads	2014	2018	1.75	948	-	948	(196)	752	183
Other Obligations:									
Landfill Closure					15,256	543	-	15,799	-
Compensated Absences					30,921	972	(201)	31,692	333
Total Governmental Activities					\$ 207,554	\$ 27,319	\$ (25,955)	\$ 208,918	\$ 20,874

Internal service funds predominately serve the governmental funds. The long-term liabilities for all the internal service fund compensated absences are included in the totals for the governmental activities. Compensated absences in the governmental activities are generally liquidated at a rate of approximately 78 percent from the general fund, 16.7 percent from other governmental funds, and 5.3 percent from the internal service funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding and Notes Payable at December 31, 2014 for the City’s Governmental Activities:

Year	General Obligation Bonds		General Obligation Notes		Revenue Obligation Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 13,253	\$ 4,981	\$ 11,873	\$ 143	\$ 19,800	\$ 486
2016	12,214	4,513	-	-	20,900	486
2017	12,035	4,070	-	-	-	-
2018	11,633	3,597	-	-	-	-
2019	10,054	3,123	-	-	-	-
2020-2024	40,240	10,864	-	-	-	-
2025-2029	22,747	3,545	-	-	-	-
2030-2034	1,472	72	-	-	-	-
Total	<u>\$ 123,648</u>	<u>\$ 34,765</u>	<u>\$ 11,873</u>	<u>\$ 143</u>	<u>\$ 40,700</u>	<u>\$ 972</u>

Year	State Agency Loans		Federal and Other Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,333	\$ 381	\$ 2,483	\$ 774	\$ 49,742	\$ 6,765
2016	2,267	316	2,637	709	38,018	6,024
2017	2,250	249	2,625	635	16,910	4,954
2018	2,053	179	2,719	564	16,405	4,340
2019	1,392	128	584	477	12,030	3,728
2020-2024	3,950	212	2,955	1,918	47,145	12,994
2025-2029	641	-	2,880	1,084	26,268	4,629
2030-2034	225	-	1,758	237	3,455	309
Total	<u>\$ 15,111</u>	<u>\$ 1,465</u>	<u>\$ 18,641</u>	<u>\$ 6,398</u>	<u>\$ 209,973</u>	<u>\$ 43,743</u>

Landfill Closure and Post-closure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the Government-Wide Statement of Net Position for the closure and post-closure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in capacity; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 49 years. The \$15,799 reported as landfill closure and post-closure care liability at December 31, 2014 represents the cumulative amount reported to date based on the use of 59.05% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$10,956 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2014 using the worst case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The City's Business-Type Activities Long-Term Obligations at December 31, 2014 and a schedule of current year activity are as follows:

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original				Balance 12/31/2014	Amount Due In One Year
				Issue Amount	Balance 1/1/2014	Increase	Decrease		
General Obligation Bonds:									
Tow Lot	2006	2024	4.0 - 5.0	\$ 2,835	\$ 1,715	\$ -	(160)	\$ 1,555	\$ 160
Property Management	Various	Various	2.0 - 7.0	22,971	17,477	-	(828)	16,649	1,040
Revenue Obligation Bonds:									
Water System	Various	Various	1.25 - 6.20	359,929	295,462	-	(8,189)	287,273	7,039
Sanitary Sewer System	Various	Various	2.0 - 6.45	50,835	23,385	-	(2,832)	20,553	2,902
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Water System	Various	Various	0	2,238	1,147	695	(77)	1,765	112
Sanitary Sewer System	Various	Various	0	9,875	6,137	1,950	(366)	7,721	430
Storm Water System	Various	Various	0	2,127	1,273	43	(107)	1,209	102
Ohio Water Dev Authority									
Water System	2006	2028	3.25	33,680	10,359	17,905	(570)	27,694	755
Sanitary Sewer System	Various	Various	2.38-4.8	425,754	301,577	26,003	(15,180)	312,400	14,744
ODOD Chapter 166									
Property Management	2000	2016	4	1,500	461	-	(167)	294	174
Capital Lease Obligations:									
Sewer Cleaners II	2011	2015	4.99	1,361	555	-	(272)	283	283
Other Obligations:									
Compensated Absences					6,090	538	(1,819)	4,809	30
Total Business-Type Activities					<u>\$ 665,638</u>	<u>\$ 47,134</u>	<u>\$ (30,567)</u>	<u>\$ 682,205</u>	<u>\$ 27,771</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2014 for the City’s Business-Type Activities:

Year	General Obligation Bonds		Revenue Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	1,200	728	9,941	14,494
2016	1,231	696	11,211	13,135
2017	1,301	660	10,666	12,828
2018	1,366	614	9,023	12,212
2019	1,426	563	9,202	11,881
2020-2024	7,450	1,981	52,229	53,298
2025-2029	4,230	472	62,557	40,925
2030-2034	-	-	71,741	26,498
2035-2039	-	-	71,256	8,248
Total	\$ 18,204	\$ 5,714	\$ 307,826	\$ 193,519

Year	State Agency Loans		Total	
	Principal	Interest	Principal	Interest
2015	16,317	8,257	27,458	23,479
2016	18,348	9,819	30,790	23,650
2017	18,799	9,255	30,766	22,743
2018	19,516	8,174	29,905	21,000
2019	19,995	7,563	30,623	20,007
2020-2024	103,176	28,342	162,855	83,621
2025-2029	82,151	13,315	148,938	54,712
2030-2034	32,710	4,749	104,451	31,247
2035-2039	40,071	616	111,327	8,864
Total	\$ 351,083	\$ 90,090	\$ 677,113	\$ 289,323

New Bond and Note Issues and Advanced Refunding

As interest rates continue to remain at historic lows, the City refinanced several bond issues and issued new debt. The following list of new issues and advanced refunding occurred in 2014;

In 2014, the City issued \$18,090 of General Obligation Bonds for the purpose of funding certain permanent improvements and refunding existing obligations with a lower net interest cost.

In 2014, the City issued \$3,250 of Taxable Industrial Development Bonds for the purpose of property acquisitions.

In 2014, the City issued \$5,922 of General Obligation Notes for funding the construction of certain sidewalk improvements and the acquisition of certain motor vehicles and equipment.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

New Issues and Advanced Refunding (continued)

In 2014, the City issued \$2,700 of Taxable Industrial Development Notes for the purpose of property acquisitions.

In 2014, the City issued \$20,900 in Special Assessment Notes for City Services. These notes mature on June 1 and December 1 of 2016.

In 2014, the City renewed \$3,255 of Building Acquisition Notes to mature in September of 2015.

State Infrastructure Bank Loans

The City has entered into State Infrastructure Bank loan agreements with the Ohio Department of Transportation (ODOT) pursuant to which ODOT provided to the City loans totaling \$3,968 to pay costs of certain street improvements in the City's Marina District and a loan totaling \$901 to pay the City's portion of the cost of improvements to the Martin Luther King Bridge. The aggregate outstanding principal amount of the City's obligations under those ODOT loan agreements was \$4,501 as of December 31, 2014.

Ohio Public Works Commission

Ohio Public Works Commission (OPWC) extends both grants and loans to the City. Monies received by the City after the grant commitment has been fulfilled by OPWC are then considered loans. Only the loan portion need be repaid by the City.

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized by the administration of the Environmental Protection Agency (EPA) to make grants to States to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2014 was \$344,036. Of this amount, \$27,694 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, \$312,400 is obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. The remaining amount of \$3,942 is obligations incurred to help finance the water pollution control related to the landfill remediation projects at the Stickney/Tyler and Dura locations are to be repaid from general receipts of the City.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a non-cancelable long-term lease with the Ohio Building Authority for the office space it occupies in One Government Center. The 30 year lease, expired on August 1, 2013 and currently operating on a month-to-month basis, is classified as an operating lease. The City made rental payments totaling \$1,500 for the year.

The City also leases various facilities and equipment under various operating leases. Rental expense relating to these leases amounts to \$1,094 in 2014.

Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and long-term debt liabilities in the Governmental and Business-Type Activities.

In 2010, the City entered into a non-cancelable long-term master equipment lease with Wells Fargo Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,185 less accumulated depreciation of \$533.

In 2011, the City entered into a non-cancelable long-term master equipment lease with Key Government Finance, Inc. for the lease of sewer cleaners. This lease replaced an existing lease in place from 2009. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Sewer Enterprise Fund at \$1,389 less accumulated depreciation of \$859.

In 2012, the City entered into a non-cancelable long-term master equipment lease with PNC Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,413 less accumulated depreciation of \$306.

In 2012, the City entered into a non-cancelable long-term master equipment lease with PNC Equipment Finance for the lease of landfill equipment. The 4 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,588 less accumulated depreciation of \$229.

In 2013, the City entered into a non-cancelable-long term lease with PNC Equipment Finance, LLC for the lease of police vehicles. The 3 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$3,386 less accumulated depreciation of \$1,016.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Capital Leases (continued)

In 2014, the City entered into a tax-exempt lease purchase with Key Government Finance, Inc. for the lease of two heavy rescue squads. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$948 less accumulated depreciation of \$32.

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2014 are as follows:

Year Ending	Governmental Activities	Business-Type Activities	Total
2015	\$ 2,536	\$ 296	\$ 2,832
2016	908	-	908
2017	494	-	494
2018	196	-	196
Total Minimum Lease Payments	4,134	296	4,430
Less: Amount Representing Interest	(107)	(13)	(120)
Present Value of net Minimum Lease Payments	<u>\$ 4,027</u>	<u>\$ 283</u>	<u>\$ 4,310</u>

Other Commitments

The City of Toledo and the Toledo-Lucas County Port Authority (Port Authority) have partnered to create an Energy Special Improvement District (District). A non-profit corporation, known as the Toledo Ohio Advanced Energy Improvement Corporation (Corporation), with representatives of the City and the Port Authority, governs the District. The City, the Port Authority and the Corporation entered into an Energy Services Agreement which sets forth a process by which the parties will cooperate with one another to provide certain special energy improvement projects, including energy efficiency improvements to City buildings and facilities. As part of the agreement the City has begun a special assessment process whereby the City is assessed on a semi-annual basis beginning in calendar year 2014.

The initial funding for those energy efficiency improvements is being provided by bonds issued by the Port Authority in the approximate amount of \$5,349,294. Those funds will be loaned to the Corporation for purpose of paying the contractors doing the work and paying the other costs of the various improvements.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments (continued)

This Ordinance authorizes an amendment to the Energy Services Agreement (the Amendment) committing the City to completing the special assessment process through the passage of an Assessing Ordinance when the various energy efficiency improvements are completed and final costs are known. The initial budget for 2014 requires an assessment of \$429,937.

Outstanding encumbrances for the Year Ended December 31, 2014 were as follows:

<i>Governmental Activities:</i>	
General	\$ 43
Capital Improvements	6,430
Special Assessments	15
Nonmajor Governmental	<u>2,736</u>
Total Governmental Activities	<u>9,224</u>
 <i>Business-Type Activities:</i>	
Water	18,430
Sewer	14,495
Utility Administrative Services	146
Nonmajor Enterprise	1,136
Internal Service Funds	<u>55</u>
Total Business-Type Activities	<u>34,262</u>
 Total	 <u><u>\$ 43,486</u></u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 10 - INTERFUND ACTIVITY

Interfund Balances are a function of the delay between the dates that interfund goods and services are provided, transactions are recorded in the accounting system, and payments between funds are made. At December 31, 2014 the Interfund Balances consist of the following individual Interfund receivables and payables as reported on the Fund Statements:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental Activities:</i>		
General Fund	\$ -	\$ 20,900
Capital Improvement Fund	-	887
Special Assessment Fund	-	19,749
Nonmajor Governmental Funds	33,608	3,678
Internal Service Funds	<u>33,275</u>	<u>-</u>
Total Governmental Activities	<u>66,883</u>	<u>45,214</u>
<i>Business-Type Activities:</i>		
Water	6,955	-
Sewer	45,356	-
Utility Administrative Services	-	74,961
Nonmajor Enterprise Activities	<u>6,901</u>	<u>5,920</u>
Total Business-Type Activities	<u>59,212</u>	<u>80,881</u>
Total	<u>\$ 126,095</u>	<u>\$ 126,095</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 10 - INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2014, consisted of the following, as reported on the Fund Statements:

Transfer Out	Transfer In				Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
Governmental Activities:					
General Fund	\$ -	\$ 36,008	\$ -	\$ -	\$ 36,008
Capital Improvement Fund	11,661	-	20,828	1,624	34,113
Nonmajor Governmental Funds	246	1,107	225	-	1,578
Total Governmental Activities	11,907	37,115	21,053	1,624	71,699
Business-Type Activities:					
Water	-	-	75	-	75
Sewer	-	-	75	-	75
Nonmajor Enterprise Funds	1,511	-	1,163	-	2,674
Total Business-Type Activities	1,511	-	1,313	-	2,824
Total	\$ 13,418	\$ 37,115	\$ 22,366	\$ 1,624	\$ 74,523

In 2014, the General Fund transferred \$36,008 into the Capital Improvement Fund. This amount is a percentage of the income tax collections in 2014 that is authorized by Toledo City Council and the Mayor for transfer.

In 2014, The Capital Improvement Fund transferred \$11,661 to the General Fund. City of Toledo voters approved a portion of the City income tax transferred to the Capital Improvement Fund to be reallocated to the General Fund for operating expenses.

In 2014, the Capital Improvement Fund transferred \$22,452 to various nonmajor governmental and enterprise funds for the purpose of debt management.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 11 – FUND BALANCE

A summary of Fund Balances as of December 31, 2014 by category with specific purpose information follows:

	General Fund	Capital Improvements	Special Assessment Services	Nonmajor Governmental Funds	Total
<i>Fund Balances:</i>					
Nonspendable:					
Inventory	\$ 1,594	\$ 1,117	\$ 3,956	\$ 1,073	\$ 7,740
Public Service	-	-	-	884	884
Total Nonspendable	<u>1,594</u>	<u>1,117</u>	<u>3,956</u>	<u>1,957</u>	<u>8,624</u>
Restricted for:					
General Government	5,317	-	280	223	5,820
Public Service	-	18,023	-	9,801	27,824
Community Environment	-	-	-	13,379	13,379
Total Restricted	<u>5,317</u>	<u>18,023</u>	<u>280</u>	<u>23,403</u>	<u>47,023</u>
Committed to:					
General Government	1,553	-	-	13,024	14,577
Community Environment	-	-	-	2,535	2,535
Total Committed	<u>1,553</u>	<u>-</u>	<u>-</u>	<u>15,559</u>	<u>17,112</u>
Unassigned	<u>1,331</u>	<u>-</u>	<u>(61,144)</u>	<u>(2,775)</u>	<u>(62,588)</u>
Total Fund Balances	<u>\$ 9,795</u>	<u>\$ 19,140</u>	<u>\$ (56,908)</u>	<u>\$ 38,144</u>	<u>\$ 10,171</u>

The City maintains a Budget Stabilization Designation (Designation) to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize moneys in the Designation for expenditures in 2014, and consistent with its policy of adding to the Designation set forth in an ordinance passed by City Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual General Fund Revenues exceed actual annual General Fund Expenditures for the prior year. In 2014, the General Fund designated an additional \$1,227 to the balance of the Designation.

NOTE 12 – PENSION PLANS

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

Traditional Pension Plan: A cost sharing, multiple-employer defined benefit pension plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 12 – PENSION PLANS (continued)

Ohio Public Employees Retirement System (continued)

Member-Directed Plan: A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

Combined Plan: A cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code (ORC).

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The ORC provides statutory authority for member and employer contributions. Member and employer contribution rates were consistent across all three plans in 2014. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan. The 2014 member contribution rates were 10.00% of earnable salary for members in state and local classifications. Public safety and law enforcement members contributed 12.00% and 13.00%, respectively. The 2014 employer contribution rate for state and local employers was 14.00% of earnable salary. The law enforcement and public safety division employer contribution rate was 18.10% of earnable salary.

The City's required contributions for all plans for years ended December 31, 2014, 2013 and 2012 were \$10,761, \$10,204 and \$9,969, respectively. Required contributions of 92.0%, 91.6%, and 91.9% were paid during the related fiscal year for 2014, 2013 and 2012, respectively. The remaining employer contributions for each fiscal year were paid in the first month of the following year.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 12 – PENSION PLANS (continued)

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members are required to contribute 11.50% of their annual covered salary. Throughout 2014, employers were required to contribute 19.50% and 24% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 were \$17,185, \$16,728 and \$16,103 respectively. Required contributions of 90.9% were paid during the related fiscal year. The remaining employer contributions for each fiscal year were paid in the first month of the following year.

Deferred Compensation Plans

City employees may elect to participate in the Ohio Public Employees Deferred Compensation Plan and firefighters may elect to participate in the Ohio Association of Professional Firefighters Deferred Compensation Plan. These plans have been created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. These plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable circumstance. The plan assets are held in a trust for the exclusive benefit of the participants and their beneficiaries by the plan administrators.

NOTE 13 – POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

OPERS administers three separate pension plans: the Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Public Employees Retirement System (continued)

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the plan statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS Plan to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend the health care coverage is provided in Chapter 145 of the ORC.

OPERS issue a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The ORC provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, the City contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the ORC. Active members do not fund the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2014, 2013 and 2012 approximated \$1,536, \$729 and \$2,848 respectively.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care for retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at www.op-f.org.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members of the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contributions may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code of the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) accounts as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 thru December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provision of Section 115 and 401(h).

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Police and Fire Pension Fund (continued)

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 approximated \$17,185, \$16,728 and \$16,103, respectively, of which \$404, \$5,863 and \$5,046, respectively, was allocated to the health care plan.

NOTE 14 – RISK MANAGEMENT

Property and Liability

The City has elected pursuant to ORC §2744.08(A)(2)(a) to use public funds for the purpose of handling third-party property losses and liabilities in lieu of purchasing general municipality liability insurance. All claims activity is accounted for within the Risk Management Fund which is a sum of tax receipts set aside on a yearly basis that is sufficient to cover any liability losses. Settled claims have not materially exceeded coverage in any of the last three years, and there is no significant reduction in coverage from the prior year. In addition, the City has the ability to issue general obligation bonds to pay final judgments that may arise.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT (continued)

Property and Liability (continued)

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2014, the City contracted with various insurance companies to provide the following coverage:

	<u>Coverage</u>	<u>Deductible</u>
	(in Whole Dollars)	(in Whole Dollars)
Property Policy for the City	\$ 600,000,000	\$ 250,000
Professional Liability for TMC	10,000,000	-
Commercial/Liquor for Erie Street Market	7,000,000	500
Crime Policy for the City	3,000,000	75,000
Crime Policy for Toledo Clerk of Courts	3,000,000	50,000
Boat Policy	1,000,000	1,000
Commercial Liability for The Unique Center	1,000,000	5,000
Crime Policy for the Toledo Police	1,000,000	50,000
Fine Arts Policy for Blair Museum	1,000,000	1,000
Hull/Liability Policy for Helicopter	1,000,000	-
Ocean Marine Policy	1,000,000	1,000
Employee Tool Insurance	211,000	500
BUSTR/Cleanup for Underground Fuel Tanks	Total cost of cleanup	50,000
Community Probation Program	25,000	-
Accident/Liability Policy - Adult Probation Program	25,000	
Accident/Liability Policy- Mobil Speedvan	1,000,000	500

Changes in the funds' claim liability amount in 2012, 2013 and 2014 were:

Year	Balance at Beginning of Year	Current Year		Balance at End of Year
		Claims and Change in Estimate	Claims Payments	
2012	\$ 1,560	\$ 1,234	\$ 1,234	\$ 1,560
2013	1,560	1,306	1,306	1,560
2014	1,560	2,120	2,120	1,560

Workers' Compensation

The City has elected to take advantage of the workers' compensation plan offered by the State of Ohio. This plan, called retrospective rating, allows the City to put a fraction of the premium it would pay as an experience-rated risk.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT (continued)

Workers' Compensation (continued)

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the City agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the City assumes, the greater the potential reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk of individual claims up to a maximum of \$300,000.

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a "minimum premium" for retaining the risk of having to pay claims which exceed the City's maximum claim limits. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles up for the reserve on any claims that are still open. The City has established a Workers' Compensation Internal Service Fund to account for and finance its uninsured risks of loss in the program.

The claims liability of \$16,198 reported at December 31, 2014, as estimated by the third party administrator, is based on the requirement of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. The liability is reported as a current liability in the Statement of Net Position for the Internal Service Funds. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses.

Changes in the funds' claim liability amount in 2012, 2013 and 2014 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2012	\$ 20,095	\$ 3,894	\$ 6,059	\$ 17,930
2013	17,930	4,289	6,021	16,198
2014	16,198	5,059	5,059	16,198

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT (continued)

Health Insurance

The City is self-insured for health, dental and prescription drug benefits. The programs are administered by a third-party, which provides claims review and processing services. The City records a liability for incurred but unreported claims at year end based upon an actuarial estimate based on past experience and current claims outstanding.

Changes in the funds' claim liability amount in 2012, 2013 and 2014 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2012	2,202	18,540	18,090	2,652
2013	2,652	17,305	17,197	2,760
2014	2,760	19,746	19,717	2,789

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2014:

<i>Governmental Funds:</i>	
Special Assessment Services Fund	\$ 56,908
<i>Non-Major Governmental Funds:</i>	
Special Assessment Improvements Fund	1,884
 <i>Proprietary Funds:</i>	
Property Management	11,286

These deficits will be eliminated by future charges for services, reduction of expenditures or future bond sales, where appropriate.

Change in Accounting Principles

For 2014, the City has implemented the following standards of the Governmental Accounting Standards Board (GASB): GASB Statement No. 67, “*Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*”, GASB Statement No. 69, “*Government Combinations and Disposals of Government Operations*” and GASB Statement No. 70, “*Accounting and Financial Reporting for Nonexchange Financial Guarantees*”.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE (continued)

Change in Accounting Principles (continued)

GASB Statement No. 67 improves financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*. It should be noted that this statement has no financial impact to the City.

GASB Statement No. 69 addresses accounting and financial reporting topics related to government combinations, commonly referred to as mergers and acquisitions and disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. It should be noted that this statement has no financial impact to the City.

GASB Statement No. 70 provides accounting and financial reporting guidance to state and local governments that either offer or receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. It should be noted that this statement has no financial impact to the City.

NOTE 16 - CONTINGENCIES

Litigation

The City is a party to various legal proceedings seeking damages or injunctive or other relief generally incidental to its operations. Those proceedings are unrelated to any outstanding City debt or the security therefore. The ultimate disposition of those proceedings is not now determinable, but will not, in the opinion of the City's Director of Law, have a material adverse effect on any outstanding City debt or the security therefore.

Under current Ohio law, City moneys, accounts and investments are not subject to attachment to satisfy tort judgments against the City in State courts. Current Ohio law also permits the City to reduce its fiscal responsibility in tort liability by deducting all appropriate health benefits, insurance benefits (including uninsured and underinsured motorists' coverage) and/or other benefits which a claimant may be entitled to receive due to injury or other loss. The City does not maintain a policy of liability insurance or a self-insurance fund, or participate in any self-insurance program or pool to satisfy tort liability claims. The City has satisfied in the past, and continues to satisfy, its general, motor vehicle, police, fire and emergency medical services tort liability (after deducting amounts available from any available collateral source) by relying on tax receipts and other available City revenues.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 16 – CONTINGENCIES (continued)

Litigation (continued)

Based on historical experience and its evaluation of pending claims, the City believes that the amount available from those sources and unencumbered at December 31, 2014 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2015. In addition, the City has the right to issue general obligation bonds, maturing over a maximum period of 25 years, and notes in anticipation of those bonds, to pay any final judgments which may be entered against it.

Grants

In 2014, the City received Federal, State and Local grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 – SUBSEQUENT EVENTS

In January 2015, the City Council passed an agreement to accept loan proceeds of \$2.3 million from the OWDA for the Highland Phase 2 Project (Hill Avenue Sanitary Pump Station and Fearing Boulevard Force Main).

On January 20, 2015, the City Council passed an agreement to accept loan proceeds of \$1.6 million from the Ohio EPA Water Pollution Control Loan Fund (WPCLF) for the Queen/Spencer Street Sewer Replacement.

On February 3, 2015, the City Council passed an agreement to accept grant proceeds of \$1.7 million from the ODOT for the construction of Miami Street over Norfolk Southern Railroad.

On May 12, 2015, the City Council passed an agreement to accept grant proceeds of \$2.6 million from the ODOT. \$2.2 million was for an Urban Paving Program for roadway resurfacing projects on Detroit Ave from Arlington to I-75 and on Reynolds Rd from the City Limit to Glendale. \$.4 million was for a reconstruction/enhancement project; I-75 to Washington.

On April 14, 2015, the City Council passed agreements to accept grant proceeds from the U.S. Department of Housing and Urban Development (HUD) for three grants totaling \$8.9 million. These grants were the 41st year CDBG grant (\$6.8 million), the 29th year ESG grant (\$.6 million) and the 24th year HOME grant (\$1.5 million).

On May 12, 2015, the City Council passed an agreement to accept grant proceeds of \$2.2 million and loan proceeds of \$1.7 million from the OPWC for seven roadway and three utility projects.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

NOTE 17 – SUBSEQUENT EVENTS (continued)

On May 26, 2015, the City Council passed an agreement to accept grant proceeds of \$4.7 million from the ODOT. \$1.2 million was for the Urban Paving Program for roadway resurfacing on State Route 120 (Central Avenue) from Secor to Upton. \$2.4 million was for a reconstruction / enhancement project on the Anthony Wayne Trail from I-75 to Erie. \$1.1 million was for a widening project at the intersection of Douglas Road and Dorr Street.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

General Fund and Special Assessment Services Fund

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

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

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Income taxes	\$ 165,240	\$ 165,240	\$ 164,787	\$ (453)
Property taxes	11,297	11,297	9,552	(1,745)
Licenses and permits	2,378	2,378	2,468	90
Intergovernmental services	9,629	9,629	17,708	8,079
Charges for services	27,446	27,446	26,265	(1,181)
Investment earnings	220	220	230	10
Fines and forfeitures	7,015	7,015	5,876	(1,139)
Other revenue	6,002	6,083	898	(5,185)
Total revenues	<u>229,227</u>	<u>229,308</u>	<u>227,784</u>	<u>(1,524)</u>
EXPENDITURES				
Current:				
General government	26,668	26,656	25,555	1,101
Public service	1,884	1,884	1,839	45
Public safety	167,216	167,284	164,410	2,874
Public utilities	-	-	8	(8)
Community environment	4,477	4,493	4,394	99
Health	4,789	4,749	4,272	477
Parks and recreation	2,737	2,792	2,623	169
Debt service:				
Principal retirement	548	548	548	-
Interest and fiscal charges	179	179	178	1
Total expenditures	<u>208,498</u>	<u>208,585</u>	<u>203,827</u>	<u>4,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,729</u>	<u>20,723</u>	<u>23,957</u>	<u>3,234</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,407	15,407	13,418	(1,989)
Transfers out	(36,186)	(36,186)	(36,008)	178
Proceeds from sale of capital assets	50	50	-	(50)
Total other financing sources (uses)	<u>(20,729)</u>	<u>(20,729)</u>	<u>(22,590)</u>	<u>(1,861)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6)</u>	1,367	<u>\$ 1,373</u>
Fund balance at beginning of year			7,977	
Increase (decrease) for inventory			451	
Fund balance at year end			<u>\$ 9,795</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Special assessments	\$ 23,154	\$ 23,154	\$ 21,599	\$ (1,555)
Charges for services	754	754	334	(420)
Investment earnings	7	7	3	(4)
Other revenue	28	28	54	26
Total revenues	<u>23,943</u>	<u>23,943</u>	<u>21,990</u>	<u>(1,953)</u>
EXPENDITURES				
Current:				
General government	988	998	813	184
Public service	28,826	33,018	28,347	4,671
Health	724	724	525	199
Parks and recreation	339	340	202	138
Debt service:				
Principal retirement	16,000	16,000	-	16,000
Interest and fiscal charges	700	700	430	270
Total expenditures	<u>47,577</u>	<u>51,780</u>	<u>30,317</u>	<u>21,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,634)</u>	<u>(27,837)</u>	<u>(8,327)</u>	<u>19,509</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	16,000	16,000	-	(16,000)
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Net change in fund balance	<u>\$ (7,634)</u>	<u>\$ (11,837)</u>	<u>(8,327)</u>	<u>\$ 3,509</u>
Fund balance (deficit) at beginning of year			(50,794)	
Increase (decrease) for inventory			2,213	
Fund balance (deficit) at year end			<u>\$ (56,908)</u>	

City of Toledo, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2014
(Amounts in Thousands)

Annual Budget Process

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

The City's budgetary process is as follows:

Budget

A certificate of estimated revenue is submitted to the County Auditor, as Secretary of the County Budget Commission, by October 31 of each year for the period January 1 to December 31 of the following year.

Estimated Resources

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

Appropriations

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

Budgetary Level of Control

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

City of Toledo, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2014
(Amounts in Thousands)

Annual Budget Process (continued)

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the GAAP budget basis in order to reserve that portion of the applicable appropriations.

Lapsing of Appropriations

Unencumbered appropriate balances lapse at year end and revert to their respective funds from which there were originally appropriated, thus becoming available for future appropriation.

**SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

Other Governmental Funds

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014
(Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total Nonmajor Funds
ASSETS					
Cash and Equivalents:					
Cash and Equivalents Other	\$ 2	\$ -	\$ -	\$ -	\$ 2
Investments	79	-	-	884	963
Restricted Investments	-	-	701	-	701
Receivables (Net of Allowance)	20,456	217	1,053	1	21,727
Due From Other:					
Funds	23,584	8,281	1,661	82	33,608
Governments	4,522	-	-	-	4,522
Inventory of Supplies	1,073	-	-	-	1,073
Total Assets	49,716	8,498	3,415	967	62,596
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,477	-	54	-	1,531
Deposits	1,912	-	-	273	2,185
Retainage	-	-	15	-	15
Due To Other:					
Funds	3,678	-	-	-	3,678
Governments	4,870	-	-	-	4,870
Accrued Wages and Benefits	751	-	2	-	753
Compensated Absences Payable	3	-	-	-	3
Notes Payable	-	-	4,175	-	4,175
Total Liabilities	12,691	-	4,246	273	17,210
Deferred Inflows of Resources:					
Revenues Levied for the next year and Unavailable Revenue	5,972	217	1,053	-	7,242
Fund Balances:					
Nonspendable	1,073	-	-	884	1,957
Restricted	22,528	174	701	-	23,403
Committed	7,452	8,107	-	-	15,559
Unassigned	-	-	(2,585)	(190)	(2,775)
Total Fund Balances	31,053	8,281	(1,884)	694	38,144
Total Liabilities, Deferred Inflows and Fund Balances	\$ 49,716	\$ 8,498	\$ 3,415	\$ 967	\$ 62,596

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total Nonmajor Funds
REVENUES					
Special Assessments	\$ -	\$ 23	\$ 200	\$ -	\$ 223
Licenses and Permits	8	-	-	-	8
Intergovernmental Services	12,455	-	-	-	12,455
Charges for Services	911	-	-	-	911
Investment Earnings	20	-	-	-	20
Fines and Forfeitures	1,615	-	-	-	1,615
Grants	19,453	-	-	-	19,453
Other Revenue	3,621	-	-	-	3,621
Total Revenues	<u>38,083</u>	<u>23</u>	<u>200</u>	<u>-</u>	<u>38,306</u>
EXPENDITURES					
Current:					
General Government	170	-	-	-	170
Public Service	11,574	-	-	-	11,574
Public Safety	4,462	-	-	-	4,462
Community Environment	16,575	-	-	-	16,575
Health	3,142	-	-	-	3,142
Parks and Recreation	134	-	-	-	134
Capital Outlay	1,254	-	514	-	1,768
Debt Service:					
Principal Retirement	-	16,030	-	-	16,030
Interest and Fiscal Charges	-	4,811	-	-	4,811
Total Expenditures	<u>37,311</u>	<u>20,841</u>	<u>514</u>	<u>-</u>	<u>58,666</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>772</u>	<u>(20,818)</u>	<u>(314)</u>	<u>-</u>	<u>(20,360)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	1,538	20,828	-	-	22,366
Transfers (Out)	(1,578)	-	-	-	(1,578)
Proceeds from Sale of Capital Assets	17	-	-	-	17
Total Other Financing Sources (Uses)	<u>(23)</u>	<u>20,828</u>	<u>-</u>	<u>-</u>	<u>20,805</u>
Net Change in Fund Balance	749	10	(314)	-	445
Fund Balance (Deficit) at Beginning of Year	30,120	8,271	(1,570)	694	37,515
Increase (Decrease) for Inventory	184	-	-	-	184
Fund Balance (Deficit) at Year End	<u>\$ 31,053</u>	<u>\$ 8,281</u>	<u>\$ (1,884)</u>	<u>\$ 694</u>	<u>\$ 38,144</u>

City of Toledo, Ohio

Nonmajor Special Revenue Funds

Federal Block Grants - To account for monies received from the Federal Government under the Community Development Block Grant program.

Operation Grants - To account for various non-capital Federal, State and Local grants including such programs as Federal and State Air Pollution Control, D.W.I. (Driving While Intoxicated) program, Child and Family Health, and WIC (Women, Infants and Children).

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

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

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

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

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

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

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

Expendable Trusts – To account for monies donated in trust to the City. Expenditures of the forty-eight individual trust funds in existence as of December 31 controlled by reference to individual trust balances maintained in subsidiary records. Also, to include special revenue source reserved for Municipal Court and Demolition operations.

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

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

Right-of-Way – To account for monies received from various public utilities for the maintenance of their access to the public right-of-way.

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2014
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements	Parkland Replacement
ASSETS							
Cash and Equivalents:							
Cash and Equivalents Other	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	13	-	-	-	-
Receivables (Net of Allowance)	4,973	9,616	-	94	3	-	16
Due From Other:							
Funds	-	8,684	675	8,697	32	445	267
Governments	697	-	-	3,825	-	-	-
Inventory of Supplies	-	-	-	1,072	-	-	-
Total Assets	<u>5,671</u>	<u>18,300</u>	<u>688</u>	<u>13,688</u>	<u>35</u>	<u>445</u>	<u>283</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	583	496	-	72	1	-	-
Deposits	635	141	-	-	-	-	-
Due To Other:							
Funds	2,875	-	-	-	-	-	-
Governments	-	3,709	-	-	-	-	-
Accrued Wages and Benefits	230	105	-	376	-	-	-
Compensated Absences Payable	-	3	-	-	-	-	-
Total Liabilities	<u>4,323</u>	<u>4,454</u>	<u>-</u>	<u>448</u>	<u>1</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:							
Revenues Levied for the next year and Unavailable Revenue	739	2,508	-	2,667	-	-	-
Fund Balances:							
Nonspendable	-	-	-	1,072	-	-	-
Restricted	609	11,338	688	9,501	-	-	-
Committed	-	-	-	-	34	445	283
Total Fund Balances	<u>609</u>	<u>11,338</u>	<u>688</u>	<u>10,573</u>	<u>34</u>	<u>445</u>	<u>283</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 5,671</u>	<u>\$ 18,300</u>	<u>\$ 688</u>	<u>\$ 13,688</u>	<u>\$ 35</u>	<u>\$ 445</u>	<u>\$ 283</u>

(Continued)

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2014
(Amounts in Thousands)

(Continued)	Cemeteries						
	Property						
	Acquisition Site	Marina	Expendable	Toledo	Toledo Home	Right	Total Special
	Development	Development	Trusts	City Parks	Program	Of Way	Revenue Funds
ASSETS							
Cash and Equivalents:							
Cash and Equivalents Other	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 2
Investments	-	-	66	-	-	-	79
Receivables (Net of Allowance)	2	6	3,260	-	2,486	-	20,456
Due From Other:							
Funds	1,011	39	3,629	99	-	6	23,584
Governments	-	-	-	-	-	-	4,522
Inventory of Supplies	-	-	1	-	-	-	1,073
Total Assets	1,013	46	6,956	99	2,486	6	49,716
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	11	184	-	130	-	1,477
Deposits	632	-	504	-	-	-	1,912
Due To Other:							
Funds	-	-	-	-	803	-	3,678
Governments	-	-	-	-	1,161	-	4,870
Accrued Wages and Benefits	-	2	30	-	8	-	751
Compensated Absences Payable	-	-	-	-	-	-	3
Total Liabilities	632	13	718	-	2,102	-	12,691
Deferred Inflows of Resources:							
Revenues Levied for the next year and Unavailable Revenue	-	-	-	-	58	-	5,972
Fund Balances:							
Nonspendable	-	-	1	-	-	-	1,073
Restricted	-	-	66	-	326	-	22,528
Committed	381	33	6,171	99	-	6	7,452
Total Fund Balances	381	33	6,238	99	326	6	31,053
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,013	\$ 46	\$ 6,956	\$ 99	\$ 2,486	\$ 6	\$ 49,716

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements	Parkland Replacement
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	12,455	-	-	-
Charges for Services	-	-	-	4	28	246	-
Investment Earnings	-	-	-	-	6	-	-
Fines and Forfeitures	-	-	-	2	-	-	-
Grants	7,154	9,484	-	-	-	-	-
Other Revenue	579	426	-	18	-	-	26
Total Revenues	7,733	9,910	-	12,485	34	246	26
EXPENDITURES							
Current:							
General Government	3	1	-	165	-	-	-
Public Service	-	73	-	11,500	-	-	-
Public Safety	-	2,922	-	65	-	-	-
Community Environment	7,981	4,213	-	11	-	-	-
Health	-	2,577	-	-	-	-	-
Parks and Recreation	-	21	-	-	27	-	-
Capital Outlay	-	215	-	525	-	-	-
Total Expenditures	7,984	10,022	-	12,266	27	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(251)	(112)	-	219	7	246	26
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	225	-	-	-
Transfers (Out)	(13)	-	-	(1,094)	-	(246)	-
Proceeds from Sale of Capital Assets	1	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(12)	-	-	(869)	-	(246)	-
Net Change in Fund Balance	(263)	(112)	-	(650)	7	-	26
Fund Balance at Beginning of Year	872	11,450	688	11,040	27	445	257
Increase for Inventory	-	-	-	183	-	-	-
Fund Balance at Year End	\$ 609	\$ 11,338	\$ 688	\$ 10,573	\$ 34	\$ 445	\$ 283

(Continued)

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

(Continued)	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts	Toledo City Parks	Toledo Home Program	Right Of Way	Total Special Revenue Funds
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 8
Intergovernmental Services	-	-	-	-	-	-	12,455
Charges for Services	21	58	554	-	-	-	911
Investment Earnings	-	-	14	-	-	-	20
Fines and Forfeitures	-	-	1,613	-	-	-	1,615
Grants	-	-	60	-	2,755	-	19,453
Other Revenue	-	-	2,553	-	16	3	3,621
Total Revenues	21	58	4,796	-	2,771	3	38,083
EXPENDITURES							
Current:							
General Government	-	-	1	-	-	-	170
Public Service	-	-	1	-	-	-	11,574
Public Safety	-	-	1,475	-	-	-	4,462
Community Environment	-	-	1,807	-	2,563	-	16,575
Health	-	-	565	-	-	-	3,142
Parks and Recreation	-	71	15	-	-	-	134
Capital Outlay	-	-	514	-	-	-	1,254
Total Expenditures	-	71	4,378	-	2,563	-	37,311
Excess (Deficiency) of Revenues over (under) Expenditures	21	(13)	418	-	208	3	772
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	1,088	-	-	225	1,538
Transfers (Out)	-	-	-	-	-	(225)	(1,578)
Proceeds from Sale of Capital Assets	-	-	16	-	-	-	17
Total Other Financing Sources (Uses)	-	-	1,104	-	-	-	(23)
Net Change in Fund Balance	21	(13)	1,522	-	208	3	749
Fund Balance at Beginning of Year	360	46	4,715	99	118	3	30,120
Increase for Inventory	-	-	1	-	-	-	184
Fund Balance at Year End	\$ 381	\$ 33	\$ 6,238	\$ 99	\$ 326	\$ 6	\$ 31,053

City of Toledo, Ohio

Nonmajor Debt Service Funds

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

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
December 31, 2014
(Amounts in Thousands)

	General Obligation	Special Assessment	Total Debt Service Funds
ASSETS			
Receivables (Net of Allowance)	\$ -	\$ 217	\$ 217
Due From Other:			
Funds	8,107	174	8,281
Total Assets	8,107	391	8,498
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Total Liabilities	-	-	-
Deferred Inflows of Resources:			
Revenues Levied for the next year and Unavailable Revenue	-	217	217
Fund Balances:			
Restricted	-	174	174
Committed	8,107	-	8,107
Total Fund Balances	8,107	174	8,281
Total Liabilities, Deferred Inflows and Fund Balances	\$ 8,107	\$ 391	\$ 8,498

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	General Obligation	Special Assessment	Total Debt service Funds
REVENUES			
Special Assessments	-	23	23
Total Revenues	-	23	23
EXPENDITURES			
Debt Service:			
Principal Retirement	16,020	10	16,030
Interest and Fiscal Charges	4,808	3	4,811
Total Expenditures	20,828	13	20,841
Excess (Deficiency) of Revenues over (under) Expenditures	(20,828)	10	(20,818)
OTHER FINANCING SOURCES (USES)			
Transfers In	20,828	-	20,828
Total Other Financing Sources (Uses)	20,828	-	20,828
Net Change in Fund Balance	-	10	10
Fund Balance at Beginning of Year	8,107	164	8,271
Fund Balance at Year End	<u>\$ 8,107</u>	<u>\$ 174</u>	<u>\$ 8,281</u>

City of Toledo, Ohio

Nonmajor Capital Projects Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Fund
December 31, 2014
(Amounts in Thousands)

	Special Assessment Improvements
ASSETS	
Restricted Investments	\$ 701
Receivables (Net of Allowance)	1,053
Due From Other:	
Funds	1,661
Total Assets	3,415
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Accounts Payable	54
Retainage	15
Accrued Wages and Benefits	2
Notes Payable	4,175
Total Liabilities	4,246
 Deferred Inflows of Resources:	
Revenues Levied for the next year and Unavailable Revenue	1,053
 Fund Balances:	
Restricted	701
Unassigned	(2,585)
Total Fund Balances	(1,884)
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,415

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Special Assessment Improvements</u>
REVENUES	
Special Assessments	<u>200</u>
Total Revenues	<u>200</u>
EXPENDITURES	
Current:	
Capital Outlay	<u>514</u>
Total Expenditures	<u>514</u>
Net Change in Fund Balance	(314)
Fund Balance (Deficit) at Beginning of Year	<u>(1,570)</u>
Fund Balance (Deficit) at Year End	<u><u>\$ (1,884)</u></u>

City of Toledo, Ohio

Nonmajor Permanent Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2014
(Amounts in Thousands)

	<u>Cemetery Perpetual Care Fund</u>
ASSETS	
Investments	\$ 884
Receivables (Net of Allowance)	1
Due From Other:	
Funds	82
Total Assets	967
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Deposits	273
Total Liabilities	273
 Fund Balances:	
Nonspendable	884
Unassigned	(190)
Total Fund Balances	694
Total Liabilities, Deferred Inflows and Fund Balances	\$ 967

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Permanent Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Cemetery Perpetual Care Fund
REVENUES	
Total Revenues	\$ -
EXPENDITURES	
Total Expenditures	-
Excess (Deficiency) of Revenues over (under) Expenditures	-
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	-
Net Change in Fund Balance	-
Fund Balance at Beginning of Year	694
Fund Balance at Year End	\$ 694

Nonmajor Enterprise Funds

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

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

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

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

Marina Operations – To account for the revenues and expenses of the operations of the downtown Marina, which the City of Toledo assumed in 2008.

Erie Street Market – To account for the revenues and expenses of the operations of the downtown Erie Street Market, which the City of Toledo assumed in 2007.

Toledo Public Power – To account for the revenues and expenses of the operations of the distribution of electric power per agreement.

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

City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2014
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations Fund	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise
ASSETS								
<u>Current:</u>								
Cash and Equivalents with Treasury	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
Cash and Equivalents Held by Escrow	-	3	-	-	-	-	-	3
Cash and Equivalents Other	-	-	-	-	-	1	-	1
Investments	9,873	-	16	-	-	-	-	9,889
Restricted Investments	-	4,963	-	-	-	-	367	5,330
Receivables (Net of Allowance)	2,382	5,220	-	816	-	10	96	8,524
Due From Other:								
Funds	6,604	-	-	-	1	171	125	6,901
Total Current Assets	18,865	10,186	16	816	1	182	588	30,654
<u>Noncurrent:</u>								
Land and Construction in Progress	7,262	691	218	697	-	-	-	8,868
Other Capital Assets, net of Accumulated Depreciation	31,850	280	278	484	-	-	9	32,901
Total Noncurrent Assets	39,112	971	496	1,181	-	-	9	41,769
Total assets	57,977	11,157	512	1,997	1	182	597	72,423
LIABILITIES								
<u>Current:</u>								
Accounts Payable	171	-	-	58	1	1	47	278
Customer Deposits	-	1	-	-	-	4	416	421
Retainage	153	-	-	-	-	-	-	153
Due to Other:								
Funds	-	5,444	99	377	-	-	-	5,920
Governments	11	-	-	-	-	-	-	11
Accrued Interest Payable	-	55	-	6	-	-	-	61
Accrued Wages and Benefits	192	-	-	-	-	-	-	192
Current Portion of:								
Compensated Absences Payable	5	-	-	-	-	-	-	5
Bonds, Loans and Notes Payable, net	102	1,214	-	160	-	-	-	1,476
Total Current Liabilities	634	6,714	99	601	1	5	463	8,517
<u>Noncurrent:</u>								
Compensated Absences Payable	338	-	-	-	-	-	-	338
Bonds, Loans and Notes Payable, net	1,107	15,729	-	1,395	-	-	-	18,231
Total Noncurrent Liabilities	1,445	15,729	-	1,395	-	-	-	18,569
Total Liabilities	2,079	22,443	99	1,996	1	5	463	27,086
NET POSITION								
Net Investment in Capital Assets	37,903	971	496	(374)	-	-	9	39,005
Restricted:								
Debt Service	22	-	-	-	-	-	-	22
Replacement	16,472	-	-	-	-	-	-	16,472
Improvement	100	-	-	-	-	-	-	100
Unrestricted	1,401	(12,257)	(83)	375	-	177	125	(10,262)
Total Net Position	\$ 55,898	\$ (11,286)	\$ 413	\$ 1	\$ -	\$ 177	\$ 134	\$ 45,337

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2014
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>	<u>Marina Operations Fund</u>	<u>Erie St Market</u>	<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise</u>
OPERATING REVENUES								
Charges for Services	\$ 9,328	\$ -	\$ -	\$ 2,180	\$ -	\$ -	\$ 774	\$ 12,282
Other Revenue	1,718	1,745	8	386	-	107	-	3,964
Total Operating Revenue	<u>11,046</u>	<u>1,745</u>	<u>8</u>	<u>2,566</u>	<u>-</u>	<u>107</u>	<u>774</u>	<u>16,246</u>
OPERATING EXPENSES								
Personnel Services	3,431	-	-	-	-	-	-	3,431
Contractual Services	1,590	60	6	779	-	108	10	2,553
Materials and Supplies	434	-	-	31	-	1	-	466
Utilities	-	-	1	5	-	-	726	732
Depreciation	883	296	45	163	-	-	-	1,387
Total Operating Expenses	<u>6,338</u>	<u>356</u>	<u>52</u>	<u>978</u>	<u>-</u>	<u>109</u>	<u>736</u>	<u>8,569</u>
Operating Income (Loss)	<u>4,708</u>	<u>1,389</u>	<u>(44)</u>	<u>1,588</u>	<u>-</u>	<u>(2)</u>	<u>38</u>	<u>7,677</u>
NONOPERATING REVENUES (EXPENSES)								
Investment Earnings	72	85	-	-	-	-	-	157
Interest Expense and Fiscal Charges	(20)	(614)	-	(78)	-	-	(11)	(723)
Gain (Loss) on Sale of Capital Assets	-	656	-	-	-	-	-	656
Total Nonoperating Revenues (Expenses)	<u>52</u>	<u>127</u>	<u>-</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>90</u>
Income (Loss) Before Transfers and Contributions	4,760	1,516	(44)	1,510	-	(2)	27	7,767
Capital Contributions	872	-	-	-	-	-	-	872
Transfers In	-	1,624	-	-	-	-	-	1,624
Transfers Out	(75)	(1,088)	-	(1,511)	-	-	-	(2,674)
Change in Net Position	5,557	2,052	(44)	(1)	-	(2)	27	7,589
Net Position at January 1	50,341	(13,338)	457	2	-	179	107	37,748
Net Position at December 31	<u>\$ 55,898</u>	<u>\$ (11,286)</u>	<u>\$ 413</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 134</u>	<u>\$ 45,337</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Non Major Enterprise Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations Fund	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise
Operating activities:								
Cash received from customers	\$ 9,737	\$ 4,887	\$ -	\$ 1,721	\$ -	\$ (10)	\$ 751	\$ 17,086
Cash paid to employees	(3,553)	-	-	-	-	-	-	(3,553)
Cash paid to suppliers	(2,622)	(59)	(8)	(358)	-	(97)	(740)	(3,884)
Other receipts	1,718	1,745	8	386	-	107	-	3,964
Net cash provided by (used by) operating activities	5,280	6,573	-	1,749	-	-	11	13,613
Noncapital financial activities:								
Transfers in	-	1,624	-	-	-	-	-	1,624
Transfers out	(75)	(1,088)	-	(1,511)	-	-	-	(2,674)
Net cash provided by (used by) noncapital financing activities	(75)	536	-	(1,511)	-	-	-	(1,050)
Capital and related financing activities:								
Proceeds from capital grants and contributions	872	-	-	-	-	-	-	872
Proceeds from the sales of assets	-	1,511	-	-	-	-	-	1,511
Purchases of property, plant and equipment	(6,997)	(2,122)	-	-	-	-	-	(9,119)
Principal payments	(107)	(995)	-	(160)	-	-	-	(1,262)
Proceeds from the issuance of bonds, loans, and notes	43	-	-	-	-	-	-	43
Interest and fiscal charges paid on bonds, loans and notes	(20)	(627)	-	(78)	-	-	(11)	(736)
Net cash provided by (used by) capital and related financing activities	(6,209)	(2,233)	-	(238)	-	-	(11)	(8,691)
Investing activities:								
Proceeds from sales and maturities of investments	6,584	-	-	-	-	-	-	6,584
Purchase of investments	(5,674)	(4,961)	-	-	-	-	-	(10,635)
Investment income received on investments	71	85	-	-	-	-	-	156
Net cash provided by (used by) investing activities	981	(4,876)	-	-	-	-	-	(3,895)
Increase (decrease) in cash and cash equivalents	(23)	-	-	-	-	-	-	(23)
Cash and cash equivalents at beginning of year	29	3	-	-	-	1	-	33
Cash and cash equivalents at end of year	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 10</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:								
Operating income (loss)	\$ 4,708	\$ 1,389	\$ (44)	\$ 1,588	\$ -	\$ (2)	\$ 38	\$ 7,677
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:								
Depreciation	883	296	45	163	-	-	-	1,387
Increase (decrease) in allowance for doubtful accounts	437	-	-	-	-	-	-	437
Changes in assets and liabilities:								
Receivables	(28)	175	-	(459)	-	(10)	(23)	(345)
Due to (from) other:								
Funds	(835)	4,712	(1)	403	-	10	41	4,330
Governments	11	-	-	-	-	-	-	11
Accounts payable	150	-	-	54	-	1	(46)	159
Customer deposits	-	1	-	-	-	1	1	3
Retainage	76	-	-	-	-	-	-	76
Accrued wages and benefits	(16)	-	-	-	-	-	-	(16)
Compensated absences	(106)	-	-	-	-	-	-	(106)
Net cash provided by (used by) operating activities	\$ 5,280	\$ 6,573	\$ -	\$ 1,749	\$ -	\$ -	\$ 11	\$ 13,613

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Internal Service Funds

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

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

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

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

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

Facility Operations – To account for the costs of maintenance and repair activities provided to various City departments. The actual costs of materials and services are reimbursed to this Fund by the user departments.

Workers' Compensation - To account for the City's worker's compensation program under the State's retrospective rating plan. The payment of premiums, assessments and claims to the State Bureau of Workers' Compensation, and their allocation to the responsible funds are accounted for in this fund.

City of Toledo, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2014
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
ASSETS								
<u>Current:</u>								
Restricted Investments	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Receivables (Net of Allowance)	345	315	2	208	1	29	58	958
Due From Other:								
Funds	6,812	450	148	846	6,199	763	18,057	33,275
Inventory of Supplies	796	-	7	-	-	-	-	803
Total Current Assets	<u>7,953</u>	<u>780</u>	<u>157</u>	<u>1,054</u>	<u>6,200</u>	<u>792</u>	<u>18,115</u>	<u>35,051</u>
<u>Noncurrent:</u>								
Land and Construction in Progress	350	115	-	-	-	-	-	465
Other Capital Assets, net of Accumulated Depreciation	10,013	7,919	-	-	1	3,170	-	21,103
Total Noncurrent Assets	<u>10,363</u>	<u>8,034</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>3,170</u>	<u>-</u>	<u>21,568</u>
Total assets	<u>18,316</u>	<u>8,814</u>	<u>157</u>	<u>1,054</u>	<u>6,201</u>	<u>3,962</u>	<u>18,115</u>	<u>56,619</u>
LIABILITIES								
<u>Current:</u>								
Accounts Payable	799	-	155	253	107	256	108	1,678
Customer Deposits	291	-	-	25	-	1	-	317
Other Current Liabilities	-	-	-	-	1,560	-	16,198	17,758
Accrued Wages and Benefits	234	-	2	152	6	79	14	487
Current Portion of:								
Bonds, Loans and Notes Payable, net	-	1,245	-	-	-	3,255	-	4,500
Total Current Liabilities	<u>1,324</u>	<u>1,245</u>	<u>157</u>	<u>430</u>	<u>1,673</u>	<u>3,591</u>	<u>16,320</u>	<u>24,740</u>
Total Liabilities	<u>1,324</u>	<u>1,245</u>	<u>157</u>	<u>430</u>	<u>1,673</u>	<u>3,591</u>	<u>16,320</u>	<u>24,740</u>
NET POSITION								
Net Investment in Capital Assets	10,363	6,804	-	-	1	(85)	-	17,083
Unrestricted	6,629	765	-	624	4,527	456	1,795	14,796
Total Net Position	<u>\$ 16,992</u>	<u>\$ 7,569</u>	<u>\$ -</u>	<u>\$ 624</u>	<u>\$ 4,528</u>	<u>\$ 371</u>	<u>\$ 1,795</u>	<u>\$ 31,879</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended December 31, 2014
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology	Risk Management	Facility Operations	Workers' Compensation	Total Internal Service
OPERATING REVENUES								
Charges for Services	\$ 13,827	\$ -	\$ 666	\$ 3,569	\$ 2,120	\$ 2,976	\$ 5,432	\$ 28,590
Other Revenue	130	-	-	-	-	210	90	430
Total Operating Revenue	<u>13,957</u>	<u>-</u>	<u>666</u>	<u>3,569</u>	<u>2,120</u>	<u>3,186</u>	<u>5,522</u>	<u>29,020</u>
OPERATING EXPENSES								
Personnel Services	4,472	-	87	1,064	140	1,458	274	7,495
Contractual Services	905	-	372	788	1,163	1,176	5,235	9,639
Materials and Supplies	7,516	-	135	46	-	313	-	8,010
Utilities	92	-	-	1,671	-	90	-	1,853
Depreciation	972	1,152	-	-	1	96	-	2,221
Total Operating Expenses	<u>13,957</u>	<u>1,152</u>	<u>594</u>	<u>3,569</u>	<u>1,304</u>	<u>3,133</u>	<u>5,509</u>	<u>29,218</u>
Operating Income (Loss)	<u>-</u>	<u>(1,152)</u>	<u>72</u>	<u>-</u>	<u>816</u>	<u>53</u>	<u>13</u>	<u>(198)</u>
NONOPERATING REVENUES (EXPENSES)								
Interest Expense and Fiscal Charges	-	-	-	-	-	(37)	-	(37)
Gain (Loss) on Sale of Capital Assets	-	(3)	-	-	-	-	-	(3)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>(40)</u>
Change in Net Position	-	(1,155)	72	-	816	16	13	(238)
Net Position at January 1	<u>16,992</u>	<u>8,724</u>	<u>(72)</u>	<u>624</u>	<u>3,712</u>	<u>355</u>	<u>1,782</u>	<u>32,117</u>
Net Position at December 31	<u>\$ 16,992</u>	<u>\$ 7,569</u>	<u>\$ -</u>	<u>\$ 624</u>	<u>\$ 4,528</u>	<u>\$ 371</u>	<u>\$ 1,795</u>	<u>\$ 31,879</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Enterprise Funds
For the Year Ended December 31, 2014
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology	Risk Management	Facility Operations	Workers' Compensation	Total Internal Service Funds
Operating activities:								
Cash received from customers	\$ 13,753	\$ -	\$ 666	\$ 3,568	\$ 2,120	\$ 2,976	\$ 5,396	\$ 28,479
Cash paid to employees	(4,374)	-	(87)	(1,050)	(136)	(1,429)	(268)	(7,344)
Cash paid to suppliers	(9,502)	(98)	(579)	(2,518)	(1,984)	(1,707)	(5,218)	(21,606)
Other receipts	130	-	-	-	-	210	90	430
Net cash provided by (used by) operating activities	7	(98)	-	-	-	50	-	(41)
Capital and related financing activities:								
Purchases of property, plant and equipment	(7)	(872)	-	-	-	(13)	-	(892)
Principal payments	-	(275)	-	-	-	-	-	(275)
Proceeds from the issuance of bonds, loans, and notes	-	1,245	-	-	-	-	-	1,245
Interest and fiscal charges paid on bonds, loans and notes	-	-	-	-	-	(37)	-	(37)
Net cash provided by (used by) capital and related financing activities	(7)	98	-	-	-	(50)	-	41
Increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:								
Operating income (loss)	\$ -	\$ (1,152)	\$ 72	\$ -	\$ 816	\$ 53	\$ 13	\$ (198)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:								
Depreciation	972	1,152	-	-	1	96	-	2,221
Changes in assets and liabilities:								
Receivables	(74)	(315)	-	(1)	-	-	(36)	(426)
Due to (from) other:								
Funds	(1,943)	217	(68)	(123)	(893)	(355)	(12)	(3,177)
Inventory of supplies	479	-	1	-	-	-	-	480
Accounts payable	475	-	(5)	110	72	227	29	908
Accrued wages and benefits	116	-	-	22	4	35	6	183
Compensated absences	(18)	-	-	(8)	-	(6)	-	(32)
Net cash provided by (used by) operating activities	<u>\$ 7</u>	<u>\$ (98)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (41)</u>

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Fiduciary Funds - Agency Funds

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

Municipal Court – To account for bonds and other monies deposited with the Court pending final disposition of the various cases. While the records of the Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement No. 61.

City of Toledo, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds - Individual Fund Groupings
For the Year Ended December 31, 2014
(amounts expressed in thousands)

	Assets					Liabilities			
	Balance 1/1/2014	Additions	Deductions	Balance 12/31/2014		Balance 1/1/2014	Additions	Deductions	Balance 12/31/2014
General Agency					General Agency				
Receivables	\$ 2,649	\$ 1,597	\$ 1,558	\$ 2,688	Accounts Payable	\$ 66	\$ 1,491	\$ 1,443	\$ 114
					Customer Deposit	2,583	1,735	1,744	2,574
Municipal Court					Municipal Court				
Cash and Cash Equivalents Other	1,076	46	-	1,122	Customer Deposit	1,076	46	-	1,122
Total Agency funds					Total Agency funds				
Cash and Cash Equivalents Other	1,076	46	-	1,122	Accounts Payable	66	1,491	1,443	114
Receivables	2,649	1,597	1,558	2,688	Customer Deposit	3,659	1,781	1,744	3,696
	<u>\$ 3,725</u>	<u>\$ 1,643</u>	<u>\$ 1,558</u>	<u>\$ 3,810</u>		<u>\$ 3,725</u>	<u>\$ 3,272</u>	<u>\$ 3,187</u>	<u>\$ 3,810</u>

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City of Toledo, Ohio

Special Budgetary Comparison

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Income taxes	\$ 165,240	\$ 165,240	\$ 164,787	\$ (453)
Property taxes	11,297	11,297	9,552	(1,745)
Licenses and permits	2,378	2,378	2,468	90
Intergovernmental services	9,629	9,629	17,708	8,079
Charges for services	27,446	27,446	26,265	(1,181)
Investment earnings	220	220	230	10
Fines and forfeitures	7,015	7,015	5,876	(1,139)
Other revenue	6,002	6,083	898	(5,185)
Total revenues	<u>229,227</u>	<u>229,308</u>	<u>227,784</u>	<u>(1,524)</u>
EXPENDITURES				
Current:				
General government				
Accounts				
Personnel services	1,206	1,139	977	162
Materials and supplies	20	20	21	(1)
Contractual services	283	316	262	54
Accounts total	<u>1,509</u>	<u>1,475</u>	<u>1,260</u>	<u>215</u>
Affirmative action/contract compliance				
Personnel services	414	414	421	(7)
Materials and supplies	2	2	1	1
Contractual services	9	9	17	(8)
Affirmative action/contract compliance total	<u>425</u>	<u>425</u>	<u>439</u>	<u>(14)</u>
Auditor				
Personnel services	106	106	90	16
Materials and supplies	1	1	-	1
Contractual services	12	12	9	3
Auditor total	<u>119</u>	<u>119</u>	<u>99</u>	<u>20</u>
Beautification action team				
Personnel services	31	31	26	5
Materials and supplies	4	4	1	3
Contractual services	72	72	615	(543)
Beautification action team total	<u>107</u>	<u>107</u>	<u>642</u>	<u>(535)</u>
Board of community relations				
Personnel services	85	85	85	-
Materials and supplies	4	3	1	2
Contractual services	9	11	10	1
Board of community relations total	<u>98</u>	<u>99</u>	<u>96</u>	<u>3</u>

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government (continued)				
City council				
Personnel services	1,182	1,182	1,138	44
Materials and supplies	23	23	18	5
Contractual services	293	293	183	110
Debt and other	50	50	50	-
City council total	<u>1,548</u>	<u>1,548</u>	<u>1,389</u>	<u>159</u>
Facility operations				
Contractual services	422	406	527	(121)
Facility operations total	<u>422</u>	<u>406</u>	<u>527</u>	<u>(121)</u>
Finance administration				
Personnel services	198	198	210	(12)
Materials and supplies	6	6	2	4
Contractual services	160	143	79	64
Debt and other	-	25	25	-
Finance administration total	<u>364</u>	<u>372</u>	<u>316</u>	<u>56</u>
Finance ERP				
Personnel services	290	305	285	20
Materials and supplies	1	1	2	(1)
Contractual services	263	255	260	(5)
Finance ERP total	<u>554</u>	<u>561</u>	<u>547</u>	<u>14</u>
Financial analysis				
Personnel services	581	581	508	73
Materials and supplies	5	5	7	(2)
Contractual services	9	21	13	8
Financial analysis total	<u>595</u>	<u>607</u>	<u>528</u>	<u>79</u>
General fund utilities				
Contractual services	1,102	1,102	1,366	(264)
General fund utilities total	<u>1,102</u>	<u>1,102</u>	<u>1,366</u>	<u>(264)</u>
General non-departmental services				
Personnel services	(165)	(165)	(477)	312
Contractual services	11,492	11,492	11,685	(193)
Debt and other	418	418	-	418
General non-departmental services total	<u>11,745</u>	<u>11,745</u>	<u>11,208</u>	<u>537</u>

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government (continued)				
Human resources				
Personnel services	958	932	901	31
Materials and supplies	56	54	14	40
Contractual services	<u>538</u>	<u>566</u>	<u>428</u>	<u>138</u>
Human resources total	1,552	1,552	1,343	209
Law				
Personnel services	1,809	1,773	1,733	40
Materials and supplies	22	27	19	8
Contractual services	<u>167</u>	<u>201</u>	<u>161</u>	<u>40</u>
Law total	1,998	2,001	1,913	88
Natural resources administration				
Contractual services	<u>60</u>	<u>60</u>	<u>63</u>	<u>(3)</u>
Natural resources administration total	60	60	63	(3)
Office of the mayor				
Personnel services	617	617	695	(78)
Materials and supplies	29	29	12	17
Contractual services	<u>122</u>	<u>117</u>	<u>119</u>	<u>(2)</u>
Office of the mayor total	768	763	826	(63)
Purchasing and supplies				
Personnel services	404	404	383	21
Materials and supplies	4	4	-	4
Contractual services	<u>26</u>	<u>34</u>	<u>29</u>	<u>5</u>
Purchasing and supplies total	434	442	412	30
Safety administration				
Personnel services	-	-	1	(1)
Contractual services	<u>154</u>	<u>154</u>	<u>15</u>	<u>139</u>
Safety administration total	154	154	16	138
Streets, bridges & harbor				
Personnel services	<u>38</u>	<u>38</u>	<u>32</u>	<u>6</u>
Streets, bridges & harbor total	38	38	32	6
Taxation				
Personnel services	1,897	1,842	1,593	249
Materials and supplies	151	166	125	41
Contractual services	<u>171</u>	<u>197</u>	<u>132</u>	<u>65</u>
Taxation total	2,219	2,205	1,850	355

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government (continued)				
Treasury				
Personnel services	524	524	354	170
Materials and supplies	28	28	20	8
Contractual services	65	77	51	26
Treasury total	<u>617</u>	<u>629</u>	<u>425</u>	<u>204</u>
Water Distribution				
Personnel services	101	101	121	(20)
Water Distribution total	<u>101</u>	<u>101</u>	<u>121</u>	<u>(20)</u>
Youth commission				
Personnel services	79	79	80	(1)
Materials and supplies	-	6	5	1
Contractual services	60	51	47	4
Debt and other	-	9	5	4
Youth commission total	<u>139</u>	<u>145</u>	<u>137</u>	<u>8</u>
General government total	<u>26,668</u>	<u>26,656</u>	<u>25,555</u>	<u>1,101</u>
Public service				
General fund utilities				
Contractual services	1,530	1,530	1,461	69
General fund utilities total	<u>1,530</u>	<u>1,530</u>	<u>1,461</u>	<u>69</u>
Parks & forestry				
Personnel services	51	51	59	(8)
Materials and supplies	2	2	1	1
Contractual services	301	301	318	(17)
Parks & forestry total	<u>354</u>	<u>354</u>	<u>378</u>	<u>(24)</u>
Public service total	<u>1,884</u>	<u>1,884</u>	<u>1,839</u>	<u>45</u>
Public safety				
Clerk of municipal court				
Personnel services	5,109	5,109	4,708	401
Materials and supplies	457	457	375	82
Contractual services	362	363	308	55
Clerk of municipal court total	<u>5,928</u>	<u>5,929</u>	<u>5,391</u>	<u>538</u>

Public safety continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety (continued)				
Fire				
Personnel services	61,976	61,660	59,688	1,972
Materials and supplies	842	848	782	66
Contractual services	<u>3,313</u>	<u>3,629</u>	<u>3,982</u>	<u>(353)</u>
Fire total	<u>66,131</u>	<u>66,137</u>	<u>64,452</u>	<u>1,685</u>
General non-departmental services				
Contractual services	<u>75</u>	<u>75</u>	<u>77</u>	<u>(2)</u>
General non-departmental services total	<u>75</u>	<u>75</u>	<u>77</u>	<u>(2)</u>
Law				
Personnel services	806	806	812	(6)
Contractual services	<u>26</u>	<u>23</u>	<u>11</u>	<u>12</u>
Law total	<u>832</u>	<u>829</u>	<u>823</u>	<u>6</u>
Municipal court judges				
Personnel services	5,872	5,824	5,118	706
Materials and supplies	141	150	96	54
Contractual services	<u>2,368</u>	<u>2,471</u>	<u>2,210</u>	<u>261</u>
Municipal court judges total	<u>8,381</u>	<u>8,445</u>	<u>7,424</u>	<u>1,021</u>
Police				
Personnel services	67,787	67,597	67,977	(380)
Materials and supplies	1,194	1,066	951	115
Contractual services	<u>4,089</u>	<u>4,407</u>	<u>4,534</u>	<u>(127)</u>
Police total	<u>73,070</u>	<u>73,070</u>	<u>73,462</u>	<u>(392)</u>
Safety administration				
Contractual services	<u>12,799</u>	<u>12,799</u>	<u>12,781</u>	<u>18</u>
Safety administration total	<u>12,799</u>	<u>12,799</u>	<u>12,781</u>	<u>18</u>
Public safety total	<u>167,216</u>	<u>167,284</u>	<u>164,410</u>	<u>2,874</u>
Public utilities				
Utilities administrative services				
Contractual services	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Utilities administrative services total	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Water Distribution				
Personnel services	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Water Distribution total	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Public utilities total	<u>-</u>	<u>-</u>	<u>8</u>	<u>(8)</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Building inspection				
Personnel services	1,344	1,328	1,304	24
Materials and supplies	18	13	11	2
Contractual services	240	290	300	(10)
Building inspection total	<u>1,602</u>	<u>1,631</u>	<u>1,615</u>	<u>16</u>
Code enforcement				
Personnel services	675	647	640	7
Materials and supplies	4	4	3	1
Contractual services	63	64	134	(70)
Code enforcement total	<u>742</u>	<u>715</u>	<u>777</u>	<u>(62)</u>
Economic development				
Personnel services	377	377	337	40
Materials and supplies	5	3	2	1
Contractual services	958	968	874	94
Economic development total	<u>1,340</u>	<u>1,348</u>	<u>1,213</u>	<u>135</u>
Engineering services				
Personnel services	123	123	122	1
Contractual services	13	13	16	(3)
Engineering services total	<u>136</u>	<u>136</u>	<u>138</u>	<u>(2)</u>
General fund utilities				
Contractual services	131	131	138	(7)
General fund utilities total	<u>131</u>	<u>131</u>	<u>138</u>	<u>(7)</u>
Planning commission				
Personnel services	458	449	434	15
Materials and supplies	19	19	19	-
Contractual services	31	40	38	2
Planning commission total	<u>508</u>	<u>508</u>	<u>491</u>	<u>17</u>
Real estate				
Personnel services	-	-	2	(2)
Contractual services	18	24	20	4
Real estate total	<u>18</u>	<u>24</u>	<u>22</u>	<u>2</u>
Community environment total	<u>4,477</u>	<u>4,493</u>	<u>4,394</u>	<u>99</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health				
Environmental services				
Personnel services	151	151	128	23
Contractual services	11	11	12	(1)
Environmental services total	<u>162</u>	<u>162</u>	<u>140</u>	<u>22</u>
Municipal court judges				
Personnel services	327	264	233	31
Municipal court judges total	<u>327</u>	<u>264</u>	<u>233</u>	<u>31</u>
Parks & forestry				
Personnel services	196	196	207	(11)
Materials and supplies	11	11	14	(3)
Contractual services	305	328	318	10
Parks & forestry total	<u>512</u>	<u>535</u>	<u>539</u>	<u>(4)</u>
Waste disposal				
Personnel services	1,144	1,144	1,064	80
Materials and supplies	113	103	26	77
Contractual services	2,531	2,541	2,270	271
Waste disposal total	<u>3,788</u>	<u>3,788</u>	<u>3,360</u>	<u>428</u>
Health total	<u>4,789</u>	<u>4,749</u>	<u>4,272</u>	<u>477</u>
Parks and recreation				
Economic development				
Contractual services	-	9	9	-
Economic development total	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Natural resources administration				
Contractual services	2	2	3	(1)
Natural resources administration total	<u>2</u>	<u>2</u>	<u>3</u>	<u>(1)</u>
Parks & forestry				
Personnel services	122	122	134	(12)
Materials and supplies	45	34	40	(6)
Contractual services	1,021	1,004	1,078	(74)
Parks & forestry total	<u>1,188</u>	<u>1,160</u>	<u>1,252</u>	<u>(92)</u>
Recreation				
Personnel services	627	611	571	40
Materials and supplies	17	83	69	14
Contractual services	903	927	719	208
Recreation total	<u>1,547</u>	<u>1,621</u>	<u>1,359</u>	<u>262</u>
Parks and recreation total	<u>2,737</u>	<u>2,792</u>	<u>2,623</u>	<u>169</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt service:				
Principal retirement	548	548	548	-
Interest and fiscal charges	179	179	178	1
Total expenditures	<u>208,498</u>	<u>208,585</u>	<u>203,827</u>	<u>4,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,729</u>	<u>20,723</u>	<u>23,957</u>	<u>3,234</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,407	15,407	13,418	(1,989)
Transfers out	(36,186)	(36,186)	(36,008)	178
Proceeds from sale of capital assets	50	50	-	(50)
Total other financing sources (uses)	<u>(20,729)</u>	<u>(20,729)</u>	<u>(22,590)</u>	<u>(1,861)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6)</u>	1,367	<u>\$ 1,373</u>
Fund balance at beginning of year			7,977	
Increase (decrease) for inventory			451	
Fund balance at year end			<u>\$ 9,795</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental services	\$ 4,605	\$ 4,605	\$ 5,195	\$ 590
Charges for services	-	745	22	(723)
Investment earnings	492	492	201	(291)
Grants	3,763	30,579	11,420	(19,159)
Other revenue	-	108	5,531	5,423
Total revenues	<u>8,860</u>	<u>36,529</u>	<u>22,369</u>	<u>(14,160)</u>
EXPENDITURES				
Current:				
General government				
Affirmative action/contract compliance				
Personnel services	21	21	21	-
Affirmative action/contract compliance total	<u>21</u>	<u>21</u>	<u>21</u>	<u>-</u>
Debt management				
Personnel services	72	72	42	30
Materials and supplies	4	4	-	4
Contractual services	7	7	-	7
Debt management total	<u>83</u>	<u>83</u>	<u>42</u>	<u>41</u>
Facility operations				
Contractual services	350	350	347	3
Facility operations total	<u>350</u>	<u>350</u>	<u>347</u>	<u>3</u>
Finance ERP				
Personnel services	127	127	-	127
Contractual services	124	124	-	124
Finance ERP total	<u>251</u>	<u>251</u>	<u>-</u>	<u>251</u>
General non-departmental services				
Personnel services	-	-	(14)	14
Contractual services	-	(885)	-	(885)
General non-departmental services total	<u>-</u>	<u>(885)</u>	<u>(14)</u>	<u>(871)</u>
Office of the mayor				
Personnel services	12	12	17	(5)
Office of the mayor total	<u>12</u>	<u>12</u>	<u>17</u>	<u>(5)</u>
General government total	717	(168)	413	(581)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health				
Office of the mayor				
Contractual services	-	91	-	91
Office of the mayor total	-	91	-	91
Health total	-	91	-	91
Capital outlay				
Accounts				
Contractual services	-	(2,742)	(2,742)	-
Accounts total	-	(2,742)	(2,742)	-
Building inspection				
Materials and supplies	-	38	28	10
Contractual services	-	306	234	72
Capital outlay	-	150	150	-
Building inspection total	-	494	412	82
City council				
Contractual services	-	70	(2)	72
City council total	-	70	(2)	72
Debt management				
Contractual services	-	-	(2,750)	2,750
Capital outlay	-	3,988	3,754	234
Debt management total	-	3,988	1,004	2,984
Economic development				
Contractual services	-	550	300	250
Economic development total	-	550	300	250
Engineering services				
Personnel services	1,827	1,827	1,798	29
Materials and supplies	94	95	46	49
Contractual services	5,678	54,580	25,510	29,070
Engineering services total	7,599	56,502	27,354	29,148
Facility operations				
Contractual services	-	1,438	514	924
Facility operations total	-	1,438	514	924

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Finance ERP				
Personnel services	-	-	180	(180)
Contractual services	-	-	123	(123)
Finance ERP total	-	-	303	(303)
Fire				
Materials and supplies	-	84	50	34
Contractual services	-	6,147	6,772	(625)
Capital outlay	-	1,026	1,026	-
Fire total	-	7,257	7,848	(591)
Fleet operations				
Contractual services	-	386	-	386
Fleet operations total	-	386	-	386
General non-departmental services				
Contractual services	-	-	19	(19)
General non-departmental services total	-	-	19	(19)
Human resources				
Contractual services	-	31	25	6
Human resources total	-	31	25	6
Information & communication technology				
Materials and supplies	-	450	406	44
Contractual services	-	339	85	254
Capital outlay	-	-	-	-
Information & communication technology total	-	789	491	298
Municipal court judges				
Contractual services	-	274	-	274
Municipal court judges total	-	274	-	274
Office of the mayor				
Contractual services	-	401	-	401
Capital outlay	-	8	-	8
Office of the mayor total	-	409	-	409

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Parks & forestry				
Materials and supplies	-	70	61	9
Contractual services	-	638	181	457
Capital outlay	-	25	-	25
Parks & forestry total	-	733	242	491
Planning commission				
Personnel services	79	79	79	-
Planning commission total	79	79	79	-
Police				
Materials and supplies	-	453	281	172
Contractual services	-	616	66	550
Police total	-	1,069	347	722
Recreation				
Materials and supplies	-	125	125	-
Contractual services	-	1,017	457	560
Recreation total	-	1,142	582	560
Streets, bridges & harbor				
Personnel services	211	211	207	4
Materials and supplies	41	41	17	24
Contractual services	152	3,647	1,902	1,745
Streets, bridges & harbor total	404	3,899	2,126	1,773
Taxation				
Materials and supplies	-	75	57	18
Contractual services	-	35	-	35
Taxation total	-	110	57	53
Transportation				
Personnel services	679	679	573	106
Materials and supplies	9	128	60	68
Contractual services	4	104	-	104
Capital outlay	-	1	-	1
Transportation total	692	912	633	279

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Waste disposal				
Contractual services	-	654	273	381
Capital outlay	-	358	358	-
Waste disposal total	<u>-</u>	<u>1,012</u>	<u>631</u>	<u>381</u>
Capital outlay total	8,774	78,402	40,223	38,179
Debt service:				
Principal retirement	9,818	9,494	8,945	549
Interest and fiscal charges	1,854	1,837	1,564	273
Debt issuance cost	-	-	219	(219)
Total expenditures	<u>21,163</u>	<u>89,656</u>	<u>51,364</u>	<u>38,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,303)</u>	<u>(53,127)</u>	<u>(28,995)</u>	<u>24,132</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	37,283	37,283	37,115	(168)
Transfers out	(40,430)	(40,430)	(34,113)	6,317
Capital lease proceeds	-	3,600	948	(2,652)
Issuance of debt	1,319	40,949	22,884	(18,065)
Premium (discount) on bond	-	1,500	1,972	472
Proceeds from sale of capital assets	-	-	150	150
Total other financing sources (uses)	<u>(1,828)</u>	<u>42,902</u>	<u>28,956</u>	<u>(13,946)</u>
Net change in fund balance	<u>\$ (14,131)</u>	<u>\$ (10,225)</u>	(39)	<u>\$ 10,186</u>
Fund balance at beginning of year			19,301	
Increase (decrease) for inventory			(122)	
Fund balance at year end			<u>\$ 19,140</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	<u>(Negative)</u>
REVENUES				
Special assessments	\$ 23,154	\$ 23,154	\$ 21,599	\$ (1,555)
Charges for services	754	754	334	(420)
Investment earnings	7	7	3	(4)
Other revenue	28	28	54	26
Total revenues	<u>23,943</u>	<u>23,943</u>	<u>21,990</u>	<u>(1,953)</u>
EXPENDITURES				
Current:				
General government				
Debt management				
Personnel services	35	35	65	(30)
Contractual services	2	2	2	-
Debt management total	<u>37</u>	<u>37</u>	<u>67</u>	<u>(30)</u>
Finance ERP				
Contractual services	113	113	112	1
Finance ERP total	<u>113</u>	<u>113</u>	<u>112</u>	<u>1</u>
General non-departmental services				
Personnel services	-	-	(71)	71
General non-departmental services total	<u>-</u>	<u>-</u>	<u>(71)</u>	<u>71</u>
Human resources				
Personnel services	8	8	8	-
Human resources total	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
Office of the mayor				
Personnel services	12	12	17	(5)
Office of the mayor total	<u>12</u>	<u>12</u>	<u>17</u>	<u>(5)</u>
Streets, bridges & harbor				
Personnel services	292	292	213	79
Materials and supplies	3	3	-	3
Contractual services	523	533	467	66
Streets, bridges & harbor total	<u>818</u>	<u>828</u>	<u>680</u>	<u>148</u>
General government total	<u>988</u>	<u>998</u>	<u>813</u>	<u>185</u>
Public service				
Engineering services				
Personnel services	85	85	42	43
Materials and supplies	5	5	-	5
Contractual services	81	81	27	54
Engineering services total	<u>171</u>	<u>171</u>	<u>69</u>	<u>102</u>

Public service continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public service (continued)				
General fund utilities				
Contractual services	3,786	3,786	3,641	145
General fund utilities total	<u>3,786</u>	<u>3,786</u>	<u>3,641</u>	<u>145</u>
Natural resources administration				
Personnel services	43	43	26	17
Contractual services	12	12	13	(1)
Natural resources administration total	<u>55</u>	<u>55</u>	<u>39</u>	<u>16</u>
Parks & forestry				
Personnel services	4,712	4,712	4,029	683
Materials and supplies	263	280	187	93
Contractual services	3,201	3,183	1,542	1,641
Parks & forestry total	<u>8,176</u>	<u>8,175</u>	<u>5,758</u>	<u>2,417</u>
Refuse collection				
Personnel services	-	-	1	(1)
Refuse collection total	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Streets, bridges & harbor				
Personnel services	7,841	8,841	7,459	1,382
Materials and supplies	2,304	3,834	3,530	304
Contractual services	5,276	6,936	6,960	(24)
Streets, bridges & harbor total	<u>15,421</u>	<u>19,611</u>	<u>17,949</u>	<u>1,662</u>
Treasury				
Personnel services	150	150	125	25
Materials and supplies	53	56	52	4
Contractual services	443	443	299	144
Debt and other	258	258	111	147
Treasury total	<u>904</u>	<u>907</u>	<u>587</u>	<u>320</u>
Water Distribution				
Personnel services	313	313	303	10
Water Distribution total	<u>313</u>	<u>313</u>	<u>303</u>	<u>10</u>
Public service total	<u>28,826</u>	<u>33,018</u>	<u>28,347</u>	<u>4,671</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Health				
Parks & forestry				
Personnel services	279	279	233	46
Materials and supplies	49	49	2	47
Contractual services	396	396	290	106
Parks & forestry total	<u>724</u>	<u>724</u>	<u>525</u>	<u>199</u>
Health total	<u>724</u>	<u>724</u>	<u>525</u>	<u>199</u>
Parks and recreation				
Parks & forestry				
Materials and supplies	18	18	47	(29)
Contractual services	321	322	155	167
Parks & forestry total	<u>339</u>	<u>340</u>	<u>202</u>	<u>138</u>
Parks and recreation total	<u>339</u>	<u>340</u>	<u>202</u>	<u>138</u>
Debt service:				
Principal retirement	16,000	16,000	-	16,000
Interest and fiscal charges	700	700	430	270
Total expenditures	<u>47,577</u>	<u>51,780</u>	<u>30,317</u>	<u>21,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,634)</u>	<u>(27,837)</u>	<u>(8,327)</u>	<u>19,510</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	16,000	16,000	-	(16,000)
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Net change in fund balance	<u>\$ (7,634)</u>	<u>\$ (11,837)</u>	<u>(8,327)</u>	<u>\$ 3,510</u>
Fund balance (deficit) at beginning of year			(50,794)	
Increase (decrease) for inventory			2,213	
Fund balance (deficit) at year end			<u>\$ (56,908)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	-	42	-	(42)
Grants	6,889	17,398	7,154	(10,244)
Other revenue	-	1,177	579	(598)
Total revenues	<u>6,889</u>	<u>18,617</u>	<u>7,733</u>	<u>(10,884)</u>
EXPENDITURES				
Current:				
General government				
Beautification action team				
Contractual services	-	-	3	(3)
Beautification action team total	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
General government total	-	-	3	(3)
Community environment				
Beautification action team				
Personnel services	311	396	252	144
Materials and supplies	100	116	48	68
Contractual services	492	611	358	253
Beautification action team total	<u>903</u>	<u>1,123</u>	<u>658</u>	<u>465</u>
Code enforcement				
Personnel services	819	1,088	822	266
Materials and supplies	1	5	3	2
Contractual services	-	28	16	12
Debt and other	-	421	-	421
Code enforcement total	<u>820</u>	<u>1,542</u>	<u>841</u>	<u>701</u>
Economic development				
Personnel services	38	(59)	26	(85)
Materials and supplies	2	3	-	3
Contractual services	3	3	-	3
Debt and other	-	1,246	-	1,246
Economic development total	<u>43</u>	<u>1,193</u>	<u>26</u>	<u>1,167</u>
Finance ERP				
Contractual services	-	15	15	-
Finance ERP total	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
General non-departmental services				
Personnel services	-	-	(28)	28
General non-departmental services total	<u>-</u>	<u>-</u>	<u>(28)</u>	<u>28</u>

Community environment continues on the next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment (continued)				
Housing division				
Personnel services	1,490	3,329	1,459	1,870
Materials and supplies	-	101	3	98
Contractual services	-	1,050	82	968
Debt and other	-	484	261	223
Housing division total	<u>1,490</u>	<u>4,964</u>	<u>1,805</u>	<u>3,159</u>
Law				
Personnel services	55	77	48	29
Debt and other	-	18	-	18
Law total	<u>55</u>	<u>95</u>	<u>48</u>	<u>47</u>
Neighborhoods administration				
Personnel services	1,188	2,472	1,599	873
Materials and supplies	-	41	11	30
Contractual services	-	912	627	285
Debt and other	-	189	67	122
Neighborhoods administration total	<u>1,188</u>	<u>3,614</u>	<u>2,304</u>	<u>1,310</u>
Planning commission				
Personnel services	88	132	72	60
Debt and other	-	32	-	32
Planning commission total	<u>88</u>	<u>164</u>	<u>72</u>	<u>92</u>
Real estate				
Personnel services	155	283	126	157
Debt and other	-	107	-	107
Real estate total	<u>155</u>	<u>390</u>	<u>126</u>	<u>264</u>
Third party partners				
Debt and other	<u>2,147</u>	<u>4,373</u>	<u>2,114</u>	<u>2,259</u>
Third party partners total	<u>2,147</u>	<u>4,373</u>	<u>2,114</u>	<u>2,259</u>
Community environment total	<u>6,889</u>	<u>17,473</u>	<u>7,981</u>	<u>9,492</u>
Total expenditures	<u>6,889</u>	<u>17,473</u>	<u>7,984</u>	<u>9,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,144</u>	<u>(251)</u>	<u>(1,395)</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(13)	(13)	-
Proceeds from sale of capital assets	-	1	1	-
Total other financing sources (uses)	<u>-</u>	<u>(12)</u>	<u>(12)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,132</u>	(263)	<u>\$ (1,395)</u>
Fund balance at beginning of year			872	
Fund balance at year end			<u>\$ 609</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants	\$ 3,206	\$ 19,217	\$ 9,484	\$ (9,733)
Other revenue	-	365	426	61
Total revenues	<u>3,206</u>	<u>19,582</u>	<u>9,910</u>	<u>(9,672)</u>
EXPENDITURES				
Current:				
General government				
Board of community relations				
Materials and supplies	1	1	-	1
Contractual services	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Board of community relations total	<u>3</u>	<u>3</u>	<u>1</u>	<u>2</u>
General government total	<u>3</u>	<u>3</u>	<u>1</u>	<u>2</u>
Public service				
Streets, bridges & harbor				
Contractual services	-	73	73	-
Streets, bridges & harbor total	<u>-</u>	<u>73</u>	<u>73</u>	<u>-</u>
Public service total	<u>-</u>	<u>73</u>	<u>73</u>	<u>-</u>
Public safety				
Fire				
Personnel services	60	79	62	17
Materials and supplies	92	280	80	200
Contractual services	<u>204</u>	<u>233</u>	<u>109</u>	<u>124</u>
Fire total	<u>356</u>	<u>592</u>	<u>251</u>	<u>341</u>
Law				
Contractual services	<u>8</u>	<u>8</u>	<u>9</u>	<u>(1)</u>
Law total	<u>8</u>	<u>8</u>	<u>9</u>	<u>(1)</u>
Municipal court judges				
Personnel services	160	419	174	245
Materials and supplies	6	7	5	2
Contractual services	<u>138</u>	<u>769</u>	<u>260</u>	<u>509</u>
Municipal court judges total	<u>304</u>	<u>1,195</u>	<u>439</u>	<u>756</u>
Police				
Personnel services	681	4,288	1,796	2,492
Materials and supplies	536	715	355	360
Contractual services	<u>226</u>	<u>369</u>	<u>72</u>	<u>297</u>
Police total	<u>1,443</u>	<u>5,372</u>	<u>2,223</u>	<u>3,149</u>
Public safety total	<u>2,111</u>	<u>7,167</u>	<u>2,922</u>	<u>4,245</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Code enforcement				
Contractual services	-	439	20	419
Code enforcement total	-	439	20	419
Economic development				
Contractual services	-	22	15	7
Economic development total	-	22	15	7
Environmental services				
Contractual services	-	428	410	18
Environmental services total	-	428	410	18
Housing division				
Personnel services	-	577	201	376
Materials and supplies	-	58	33	25
Contractual services	-	156	12	144
Debt and other	-	4,209	2,731	1,478
Housing division total	-	5,000	2,977	2,023
Neighborhoods administration				
Personnel services	-	84	9	75
Materials and supplies	-	1	-	1
Contractual services	20	141	1	140
Debt and other	569	1,164	575	589
Neighborhoods administration total	589	1,390	585	805
Planning commission				
Personnel services	-	345	194	151
Materials and supplies	-	14	10	4
Contractual services	-	11	2	9
Planning commission total	-	370	206	164
Community environment total	589	7,649	4,213	3,436
Health				
Environmental services				
Personnel services	-	1,699	787	912
Materials and supplies	-	102	-	102
Contractual services	448	4,492	1,790	2,702
Debt and other	-	3	-	3
Environmental services total	448	6,296	2,577	3,719
Health total	448	6,296	2,577	3,719

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation				
Parks & forestry				
Materials and supplies	-	21	21	-
Parks & forestry total	-	21	21	-
Parks and recreation total	-	21	21	-
Capital outlay	56	215	215	-
Total expenditures	3,207	21,424	10,022	11,402
Excess (deficiency) of revenues over (under) expenditures	(1)	(1,842)	(112)	1,730
Net change in fund balance	<u>\$ (1)</u>	<u>\$ (1,842)</u>	(112)	<u>\$ 1,730</u>
Fund balance at beginning of year			11,450	
Fund balance at year end			<u>\$ 11,338</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 6	\$ 6
Intergovernmental services	12,311	12,311	12,455	144
Charges for services	2	2	4	2
Fines and forfeitures	1	1	2	1
Other revenue	13	13	18	5
Total revenues	<u>12,327</u>	<u>12,327</u>	<u>12,485</u>	<u>158</u>
EXPENDITURES				
Current:				
General government				
Finance ERP				
Contractual services	35	35	35	-
Finance ERP total	35	35	35	-
General non-departmental services				
Personnel services	-	-	(63)	63
General non-departmental services total	-	-	(63)	63
Human resources				
Personnel services	16	16	16	-
Human resources total	16	16	16	-
Streets, bridges & harbor				
Personnel services	235	235	172	63
Materials and supplies	3	3	-	3
Contractual services	18	18	5	13
Streets, bridges & harbor total	256	256	177	79
General government total	307	307	165	142
Public service				
Engineering services				
Personnel services	872	872	674	198
Materials and supplies	58	58	39	19
Contractual services	430	7,010	330	6,680
Engineering services total	1,360	7,940	1,043	6,897
General fund utilities				
Contractual services	316	316	210	106
General fund utilities total	316	316	210	106

Public service continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Public service (continued)				
Streets, bridges & harbor				
Personnel services	3,301	3,301	3,049	252
Materials and supplies	1,266	1,265	904	361
Contractual services	1,677	1,618	1,675	(57)
Streets, bridges & harbor total	<u>6,244</u>	<u>6,184</u>	<u>5,628</u>	<u>556</u>
Transportation				
Personnel services	3,013	3,013	2,723	290
Materials and supplies	633	506	354	152
Contractual services	1,608	1,659	1,542	117
Transportation total	<u>5,254</u>	<u>5,178</u>	<u>4,619</u>	<u>559</u>
Public service total	<u>13,174</u>	<u>19,618</u>	<u>11,500</u>	<u>8,118</u>
Public safety				
Police				
Personnel services	110	110	60	50
Contractual services	5	5	5	-
Police total	<u>115</u>	<u>115</u>	<u>65</u>	<u>50</u>
Public safety total	<u>115</u>	<u>115</u>	<u>65</u>	<u>50</u>
Community environment				
Building inspection				
Personnel services	12	12	11	1
Building inspection total	<u>12</u>	<u>12</u>	<u>11</u>	<u>1</u>
Community environment total	<u>12</u>	<u>12</u>	<u>11</u>	<u>1</u>
Capital outlay				
Streets, bridges & harbor				
Materials and supplies	-	15	7	8
Contractual services	-	945	30	915
Capital outlay	21	574	485	89
Streets, bridges & harbor total	<u>21</u>	<u>1,534</u>	<u>522</u>	<u>1,012</u>
Transportation				
Personnel services	-	-	3	(3)
Transportation total	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
Capital outlay total	<u>21</u>	<u>1,534</u>	<u>525</u>	<u>1,009</u>
Total expenditures	<u>13,629</u>	<u>21,586</u>	<u>12,266</u>	<u>9,320</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures	(1,302)	(9,259)	219	9,478
OTHER FINANCING SOURCES (USES)				
Transfers in	225	225	225	-
Transfers out	(1,093)	(1,093)	(1,094)	(1)
Total other financing sources (uses)	(868)	(868)	(869)	(1)
Net change in fund balance	<u>\$ (2,170)</u>	<u>\$ (10,127)</u>	(650)	<u>\$ 9,477</u>
Fund balance at beginning of year			11,040	
Increase for inventory			183	
Fund balance at year end			<u>\$ 10,573</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemetery Maintenance
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 28	\$ 28
Investment earnings	4	4	6	2
Other revenue	24	24	-	(24)
Total revenues	<u>28</u>	<u>28</u>	<u>34</u>	<u>6</u>
EXPENDITURES				
Current:				
Parks and recreation				
Parks & forestry				
Materials and supplies	-	27	27	-
Parks & forestry total	<u>-</u>	<u>27</u>	<u>27</u>	<u>-</u>
Parks and recreation total	<u>-</u>	<u>27</u>	<u>27</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>27</u>	<u>27</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28</u>	<u>1</u>	<u>7</u>	<u>6</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 28</u>	<u>\$ 1</u>	<u>7</u>	<u>\$ 6</u>
Fund balance at beginning of year			<u>27</u>	
Fund balance at year end			<u>\$ 34</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Golf Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 246	\$ 246	\$ 246	\$ -
Total revenues	<u>246</u>	<u>246</u>	<u>246</u>	<u>-</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246</u>	<u>246</u>	<u>246</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Total other financing sources (uses)	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>445</u>	
Fund balance at year end			<u>\$ 445</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Parkland Replacement
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ 28	\$ 28	\$ 26	\$ (2)
Total revenues	<u>28</u>	<u>28</u>	<u>26</u>	<u>(2)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 28</u>	<u>\$ 28</u>	26	<u>\$ (2)</u>
Fund balance at beginning of year			<u>257</u>	
Fund balance at year end			<u>\$ 283</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemeteries Property Acquisition Site Development
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 26	\$ 26	\$ 21	\$ (5)
Total revenues	<u>26</u>	<u>26</u>	<u>21</u>	<u>(5)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 26</u>	<u>\$ 26</u>	21	<u>\$ (5)</u>
Fund balance at beginning of year			<u>360</u>	
Fund balance at year end			<u>\$ 381</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Marina Development
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 78	\$ 78	\$ 58	\$ (20)
Total revenues	<u>78</u>	<u>78</u>	<u>58</u>	<u>(20)</u>
EXPENDITURES				
Current:				
Parks and recreation				
Recreation				
Contractual services	57	57	71	(14)
Recreation total	<u>57</u>	<u>57</u>	<u>71</u>	<u>(14)</u>
Parks and recreation total	<u>57</u>	<u>57</u>	<u>71</u>	<u>(14)</u>
Total expenditures	<u>57</u>	<u>57</u>	<u>71</u>	<u>(14)</u>
Net change in fund balance	<u>\$ 21</u>	<u>\$ 21</u>	(13)	<u>\$ (34)</u>
Fund balance at beginning of year			<u>46</u>	
Fund balance at year end			<u>\$ 33</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ -	\$ 2	\$ 2	\$ -
Charges for services	-	554	554	-
Investment earnings	-	14	14	-
Fines and forfeitures	-	1,613	1,613	-
Grants	-	60	60	-
Other revenue	-	2,553	2,553	-
Total revenues	<u>-</u>	<u>4,796</u>	<u>4,796</u>	<u>-</u>
EXPENDITURES				
Current:				
General government				
City council				
Debt and other	-	29	-	29
City council total	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>
Environmental services				
Debt and other	-	(6)	-	(6)
Environmental services total	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(6)</u>
Municipal court judges				
Debt and other	-	25	1	24
Municipal court judges total	<u>-</u>	<u>25</u>	<u>1</u>	<u>24</u>
Office of the mayor				
Debt and other	-	67	-	67
Office of the mayor total	<u>-</u>	<u>67</u>	<u>-</u>	<u>67</u>
Treasury				
Debt and other	-	537	-	537
Treasury total	<u>-</u>	<u>537</u>	<u>-</u>	<u>537</u>
General government total	<u>-</u>	<u>652</u>	<u>1</u>	<u>651</u>
Public service				
Streets, bridges & harbor				
Personnel services	-	-	1	(1)
Streets, bridges & harbor total	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Public service total	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety				
Clerk of municipal court				
Debt and other	-	175	-	175
Clerk of municipal court total	-	175	-	175
Fire				
Materials and supplies	-	54	46	8
Contractual services	-	4	4	-
Debt and other	-	158	-	158
Fire total	-	216	50	166
Law				
Contractual services	-	150	132	18
Debt and other	-	44	-	44
Law total	-	194	132	62
Municipal court judges				
Personnel services	-	102	100	2
Materials and supplies	-	232	149	83
Contractual services	-	1,100	668	432
Debt and other	-	6,837	-	6,837
Municipal court judges total	-	8,271	917	7,354
Police				
Materials and supplies	-	447	216	231
Contractual services	-	137	67	70
Debt and other	-	524	93	431
Police total	-	1,108	376	732
Public safety total	-	9,964	1,475	8,489
Community environment				
Economic development				
Contractual services	-	3	3	-
Debt and other	-	1,197	-	1,197
Economic development total	-	1,200	3	1,197
Housing division				
Debt and other	-	1	-	1
Housing division total	-	1	-	1

Community environment continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Community environment (continued)				
Municipal court judges				
Materials and supplies	-	7	1	6
Contractual services	-	109	7	102
Debt and other	-	67	-	67
Municipal court judges total	-	183	8	175
Neighborhoods administration				
Personnel services	-	105	68	37
Materials and supplies	-	14	1	13
Contractual services	-	23	20	3
Debt and other	-	563	81	482
Neighborhoods administration total	-	705	170	535
Recreation				
Materials and supplies	-	18	9	9
Contractual services	-	36	32	4
Debt and other	-	185	1	184
Recreation total	-	239	42	197
Streets, bridges & harbor				
Personnel services	-	664	516	148
Materials and supplies	-	170	56	114
Contractual services	-	1,364	1,012	352
Debt and other	-	56	-	56
Streets, bridges & harbor total	-	2,254	1,584	670
Community environment total	-	4,582	1,807	2,775
Health				
Environmental services				
Contractual services	-	91	51	40
Debt and other	-	27	-	27
Environmental services total	-	118	51	67
Waste disposal				
Contractual services	-	275	243	32
Debt and other	-	666	271	395
Waste disposal total	-	941	514	427
Health total	-	1,059	565	494

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2014
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation				
Natural resources administration				
Debt and other	-	1	-	1
Natural resources administration total	-	1	-	1
Parks & forestry				
Materials and supplies	-	22	5	17
Contractual services	-	23	10	13
Debt and other	-	231	-	231
Parks & forestry total	-	276	15	261
Youth commission				
Debt and other	-	1	-	1
Youth commission total	-	1	-	1
Parks and recreation total	-	278	15	263
Capital outlay	-	208	514	(306)
Total expenditures	-	16,743	4,378	12,365
Excess (deficiency) of revenues over (under) expenditures	-	(11,947)	418	12,365
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,088	1,088
Transfers out	-	(10)	-	10
Proceeds from sale of capital assets	-	1,103	16	(1,087)
Total other financing sources (uses)	-	1,093	1,104	11
Net change in fund balance	\$ -	\$ (10,854)	1,522	\$ 12,376
Fund balance at beginning of year			4,715	
Increase for inventory			1	
Fund balance at year end			\$ 6,238	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Toledo Home Program
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants	\$ 1,706	\$ 7,785	\$ 2,755	\$ (5,030)
Other revenue	-	18	16	(2)
Total revenues	<u>1,706</u>	<u>7,803</u>	<u>2,771</u>	<u>(5,032)</u>
EXPENDITURES				
Current:				
Community environment				
Housing division				
Personnel services	139	329	112	217
Materials and supplies	5	36	2	34
Contractual services	27	84	23	61
Debt and other	1,535	5,968	2,426	3,542
Housing division total	<u>1,706</u>	<u>6,417</u>	<u>2,563</u>	<u>3,854</u>
Neighborhoods administration				
Personnel services	-	17	-	17
Neighborhoods administration total	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>
Community environment total	<u>1,706</u>	<u>6,434</u>	<u>2,563</u>	<u>3,871</u>
Total expenditures	<u>1,706</u>	<u>6,434</u>	<u>2,563</u>	<u>3,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,369</u>	<u>208</u>	<u>(1,161)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	47	-	(47)
Total other financing sources (uses)	<u>-</u>	<u>47</u>	<u>-</u>	<u>(47)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,416</u>	<u>208</u>	<u>\$ (1,208)</u>
Fund balance at beginning of year			<u>118</u>	
Fund balance at year end			<u>\$ 326</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Right of Way
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ -	\$ -	\$ 3	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	225	225	225	-
Transfers out	<u>(225)</u>	<u>(225)</u>	<u>(225)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3</u>	<u>\$ 3</u>
Fund balance at beginning of year			<u>3</u>	
Fund balance at year end			<u>\$ 6</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service
General Obligation
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal retirement	18,000	18,000	16,020	1,980
Interest and fiscal charges	6,500	6,500	4,808	1,692
Total expenditures	24,500	24,500	20,828	3,672
Excess (deficiency) of revenues over (under) expenditures	(24,500)	(24,500)	(20,828)	3,672
OTHER FINANCING SOURCES (USES)				
Transfers in	24,500	24,500	20,828	(3,672)
Total other financing sources (uses)	24,500	24,500	20,828	(3,672)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			8,107	
Fund balance at year end			\$ 8,107	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service
Special Assessment
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 30	\$ 30	\$ 23	\$ (7)
Total revenues	<u>30</u>	<u>30</u>	<u>23</u>	<u>(7)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal retirement	10	10	10	-
Interest and fiscal charges	3	3	3	-
Total expenditures	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
Net change in fund balance	<u>\$ 17</u>	<u>\$ 17</u>	10	<u>\$ (7)</u>
Fund balance at beginning of year			<u>164</u>	
Fund balance at year end			<u>\$ 174</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Capital Projects
Special Assessment Improvements
For the Year Ended December 31, 2014
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 205	\$ 205	\$ 200	\$ (5)
Total revenues	<u>205</u>	<u>205</u>	<u>200</u>	<u>(5)</u>
EXPENDITURES				
Current:				
General government				
Finance ERP				
Contractual services	1	1	-	1
Finance ERP total	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
General government total	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Capital outlay				
Engineering services				
Personnel services	144	144	50	94
Contractual services	20	645	464	181
Engineering services total	<u>164</u>	<u>789</u>	<u>514</u>	<u>275</u>
Capital outlay total	<u>164</u>	<u>789</u>	<u>514</u>	<u>275</u>
Debt service:				
Principal retirement				
Interest and fiscal charges	30	30	-	30
Interest and fiscal charges	35	35	-	35
Total expenditures	<u>230</u>	<u>855</u>	<u>514</u>	<u>341</u>
Net change in fund balance	<u>\$ (25)</u>	<u>\$ (650)</u>	(314)	<u>\$ 336</u>
Fund balance (deficit) at beginning of year			<u>(1,570)</u>	
Fund balance (deficit) at year end			<u>\$ (1,884)</u>	

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STATISTICAL SECTION

Statistical Section

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

Contents

Tables

Financial Trends

These schedules contain trend information to help understand how the City’s financial performance and well-being have changed over time. 1-4

Revenue Capacity

These schedules contain information to help assess the City’s most significant local revenue sources. 5-10

Debt Capacity

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. 11-15

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place. 16-17

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City Provides and the activities it performs. 18-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
City of Toledo, Ohio
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Net Position									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:										
Net investment in capital assets	\$ 280,486	\$ 300,779	\$ 329,962	\$ 338,428	\$ 333,510	\$ 343,145	\$ 342,304	\$ 368,093	\$ 379,066	\$ 377,025
Restricted	47,957	50,555	52,822	52,032	83,098	73,630	65,509	81,257	59,009	58,721
Unrestricted	-	2,278	-	-	(14,200)	5,002	31,418	18,429	26,195	20,475
Total governmental activities	<u>328,443</u>	<u>353,612</u>	<u>382,784</u>	<u>390,460</u>	<u>402,408</u>	<u>421,777</u>	<u>439,231</u>	<u>467,779</u>	<u>464,270</u>	<u>456,221</u>
Business-type activities:										
Net investment in capital assets	224,105	253,730	280,940	305,182	327,984	388,160	383,122	388,287	372,533	391,748
Restricted	169,220	95,084	60,000	41,367	36,259	31,760	7,476	33,221	88,854	89,146
Unrestricted	(12,298)	41,289	53,529	59,097	47,785	6,676	29,078	17,424	5,265	6,922
Total business-type activities	<u>381,027</u>	<u>390,103</u>	<u>394,469</u>	<u>405,646</u>	<u>412,028</u>	<u>426,596</u>	<u>419,676</u>	<u>438,932</u>	<u>466,652</u>	<u>487,816</u>
Primary government activities:										
Net investment in capital assets	504,591	554,509	610,902	643,610	661,494	731,305	725,426	756,380	751,599	768,773
Restricted	217,177	145,639	112,822	93,399	119,357	105,390	72,985	114,478	147,863	147,867
Unrestricted	(12,298)	43,567	53,529	59,097	33,585	11,678	60,496	35,853	31,460	27,397
Total primary government activities	<u>\$ 709,470</u>	<u>\$ 743,715</u>	<u>\$ 777,253</u>	<u>\$ 796,106</u>	<u>\$ 814,436</u>	<u>\$ 848,373</u>	<u>\$ 858,907</u>	<u>\$ 906,711</u>	<u>\$ 930,922</u>	<u>\$ 944,037</u>

Table 2
City of Toledo, Ohio
Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Revenues									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Government activities										
Charges for services:										
General government	\$ 28,584	\$ 28,338	\$ 30,165	\$ 59,916	\$ 72,777	\$ 46,960	\$ 41,828	\$ 72,061	\$ 37,121	\$ 22,583
Public service	19	-	-	-	-	26,003	25,381	-	26,198	21,517
Public safety	9,436	8,524	8,814	9,408	8,103	9,363	12,748	15,907	17,042	17,406
Public utilities	158	-	1,199	-	-	-	-	351	-	22
Community environment	6,727	7,052	6,563	7,464	6,364	5,421	8,044	2,928	2,527	2,389
Health	1,377	704	2,632	5,580	5,853	11,184	11,221	9,813	11,709	10,575
Parks and recreation	421	122	101	116	111	200	206	635	164	138
Operating grants	49,406	55,734	65,423	33,081	40,689	12,675	35,731	29,533	20,492	14,160
Capital grants	25,779	25,689	21,082	15,537	18,348	33,739	4,509	16,590	10,630	14,486
Total governmental activities program revenue	<u>121,907</u>	<u>126,163</u>	<u>135,979</u>	<u>131,102</u>	<u>152,245</u>	<u>145,545</u>	<u>139,668</u>	<u>147,818</u>	<u>125,883</u>	<u>103,276</u>
Business-type activities:										
Charges for services:										
Water	37,326	34,790	38,627	38,070	35,913	42,487	43,250	44,112	52,476	57,205
Sewer	43,551	44,377	48,901	56,064	54,189	57,354	65,608	66,608	69,719	69,890
Storm utility	8,637	8,132	8,620	9,034	10,069	9,798	10,234	10,331	9,620	11,046
Utilities administration	10,288	7,802	9,676	10,564	8,696	10,071	11,323	12,462	9,945	12,163
Parking	1,435	1,486	1,403	1,509	1,459	1,383	1,887	-	-	-
Toledo public power	-	-	-	-	-	-	-	136	588	774
Property management	264	(688)	266	262	208	470	24	-	-	1,745
Erie Street Market	38	(2)	-	-	-	177	197	115	146	107
Small business development	-	-	-	-	-	-	-	-	-	8
Tow lot	527	2,225	2,315	2,549	1,418	1,911	1,929	2,007	2,536	2,566
Capital grants	-	-	-	-	-	5,423	2,709	1,448	640	2,483
Total business-type activities revenues	<u>102,066</u>	<u>98,122</u>	<u>109,808</u>	<u>118,052</u>	<u>111,952</u>	<u>129,074</u>	<u>137,161</u>	<u>137,219</u>	<u>145,670</u>	<u>157,987</u>
Total primary governmental revenues	<u>\$ 223,973</u>	<u>\$ 224,285</u>	<u>\$ 245,787</u>	<u>\$ 249,154</u>	<u>\$ 264,197</u>	<u>\$ 274,619</u>	<u>\$ 276,829</u>	<u>\$ 285,037</u>	<u>\$ 271,553</u>	<u>\$ 261,263</u>

(Continued)

Table 2 (continued)
City of Toledo, Ohio
Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Government-type activities										
General government	\$ 25,960	\$ 27,250	\$ 27,059	\$ 28,673	\$ 28,464	\$ 25,421	\$ 21,651	\$ 28,807	\$ 35,031	\$ 29,937
Public service	52,706	52,891	53,562	57,508	56,085	54,469	48,606	34,715	55,070	67,217
Public safety	153,085	158,499	163,334	170,767	157,024	157,436	164,396	165,810	173,274	177,419
Public utilities	-	46	106	167	139	2	493	1,268	1,876	3,753
Community environment	14,895	20,589	20,230	18,915	19,634	32,543	27,058	37,867	20,090	21,427
Health	17,638	18,207	16,773	19,104	17,569	16,966	18,012	19,197	9,265	9,743
Parks and recreation	7,345	7,563	15,047	7,397	6,933	6,139	5,396	5,419	6,443	6,702
Interest and fiscal charges	8,973	7,833	10,368	14,731	12,442	12,060	14,332	11,762	8,003	7,460
Debt service:										
Total governmental activities expenses	280,602	292,878	306,479	317,262	298,290	305,036	299,944	304,845	309,052	323,658
Business-type activities										
Water	34,369	34,324	38,388	36,708	36,556	39,138	41,495	41,997	46,912	53,472
Sewer	41,217	44,464	47,329	50,484	49,974	56,888	64,705	67,507	51,310	63,174
Storm utility	7,018	6,883	6,168	5,331	5,191	4,968	8,005	11,291	6,801	6,358
Utility administration	8,099	9,898	10,647	10,048	10,185	9,876	10,608	7,067	11,285	12,176
Parking	1,100	1,040	946	962	934	820	644	-	-	-
Property management	2,640	2,010	1,930	5,111	1,949	1,691	1,691	1,286	895	970
Small business development	47	77	41	42	76	380	380	78	63	52
Toledo public power	-	-	-	-	-	-	-	138	567	747
Tow lot	314	1,169	1,087	1,141	1,229	986	986	911	963	1,056
Erie Street Market								124	48	109
Total business-activities expenses	94,804	99,865	106,536	109,827	106,094	114,747	128,514	130,399	118,844	138,114
Total primary government expenses	\$ 375,406	\$ 392,743	\$ 413,015	\$ 427,089	\$ 404,384	\$ 419,783	\$ 428,458	\$ 435,244	\$ 427,896	\$ 461,772

(Continued)

Table 2 (continued)
City of Toledo, Ohio
Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Net Revenue (Expenses)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities	\$ (158,695)	\$ (166,715)	\$ (170,500)	\$ (186,160)	\$ (146,045)	\$ (159,491)	\$ (163,464)	\$ (157,027)	\$ (183,169)	\$ (220,382)
Business-type activities	7,262	(1,743)	3,272	8,225	5,858	14,327	8,647	6,820	26,826	19,873
Total primary governmental revenue (expenses), net	(151,433)	(168,458)	(167,228)	(177,935)	(140,187)	(145,164)	(154,817)	(150,207)	(156,343)	(200,509)
General revenues and other changes in net position:										
Governmental activities:										
Income taxes	160,683	164,718	169,689	154,475	138,474	146,886	152,864	158,128	158,176	163,653
Property taxes	20,136	17,330	19,424	18,078	15,518	12,465	12,168	11,361	9,708	9,585
Unrestricted investments earnings	4,153	7,194	8,553	5,582	2,483	1,605	1,240	1,017	508	454
Grants and entitlements not restricted to specific programs	-	-	-	-	-	-	-	5,272	-	-
Intergovernmental services	-	-	-	-	-	-	-	-	2,215	26,740
Gain on sale of capital assets	-	-	-	-	-	-	859	-	87	167
Other revenue grants	273	2,190	2,297	14,469	6,928	4,572	4,707	4,789	8,728	10,534
Transfers	(927)	451	(291)	1,232	655	534	10,244	(289)	238	1,200
Total government activities	184,318	191,883	199,672	193,836	164,058	166,062	182,082	180,278	179,660	212,333
Business-type activities:										
Unrestricted investments earnings	3,282	6,488	6,460	4,064	899	781	1,092	937	1,132	1,818
Gain on sale of capital assets and										673
Other revenue grants	5,494	4,782	(5,657)	120	280	(6)	(6,836)	-	-	-
Transfers	927	(451)	291	(1,232)	(655)	(534)	(10,244)	289	(238)	(1,200)
Total business-type activities	9,703	10,819	1,094	2,952	524	241	(15,988)	1,226	894	1,291
Total primary governmental general revenues and other changes in net position	194,021	202,702	200,766	196,788	164,582	166,303	166,094	181,504	180,554	213,624
Changes in Net Position										
Governmental activities	25,623	25,168	29,172	7,676	18,013	6,571	18,618	23,251	(3,509)	(8,049)
Business-type activities	16,965	9,076	4,366	11,177	6,382	14,568	(7,341)	8,046	27,720	21,164
Total primary governmental net change	\$ 42,588	\$ 34,244	\$ 33,538	\$ 18,853	\$ 24,395	\$ 21,139	\$ 11,277	\$ 31,297	\$ 24,211	\$ 13,115

Table 3
City of Toledo, Ohio
Fund Balances, Governmental Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fund Balances, Governmental Fund										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697	\$ 712	\$ 850	\$ 1,143	\$ 1,594
Restricted	-	-	-	-	-	5,320	5,376	5,406	5,420	5,317
Reserved	4,358	1,974	5,485	8,187	8,263	-	-	-	-	-
Unreserved	6,413	8,818	7,148	(3,796)	(16,283)	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	326	326	1,553
Unassigned	-	-	-	-	-	(19,729)	(5,762)	(1,574)	1,088	1,331
Total general fund	<u>10,771</u>	<u>10,792</u>	<u>12,633</u>	<u>4,391</u>	<u>(8,020)</u>	<u>(13,712)</u>	<u>326</u>	<u>5,008</u>	<u>7,977</u>	<u>9,795</u>
Capital Improvement Fund										
Nonspendable	-	-	-	-	-	856	782	1,005	1,239	1,117
Restricted	-	-	-	-	-	23,379	34,896	43,191	18,062	18,023
Reserved	61,353	45,542	37,148	35,289	28,449	-	-	-	-	-
Unreserved	(29,617)	(9,615)	(7,385)	(8,220)	18,882	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Total capital improvement fund	<u>31,736</u>	<u>35,927</u>	<u>29,763</u>	<u>27,069</u>	<u>47,331</u>	<u>24,235</u>	<u>35,678</u>	<u>44,196</u>	<u>19,301</u>	<u>19,140</u>
Special Assessment Services Fund										
Nonspendable	-	-	-	-	-	1,807	1,438	2,864	1,743	3,956
Restricted	-	-	-	-	-	4,977	384	218	1,509	280
Reserved	2,304	2,578	2,039	2,784	2,827	-	-	-	-	-
Unreserved	(44,905)	(48,228)	(48,017)	(51,764)	(53,450)	-	-	-	-	-
Unrestricted:										
Unassigned	-	-	-	-	-	(56,328)	(53,153)	(53,293)	(54,046)	(61,144)
Total special assessment services fund	<u>(42,601)</u>	<u>(45,650)</u>	<u>(45,978)</u>	<u>(48,980)</u>	<u>(50,623)</u>	<u>(49,544)</u>	<u>(51,331)</u>	<u>(50,211)</u>	<u>(50,794)</u>	<u>(56,908)</u>
Nonmajor Governmental Funds										
Nonspendable	-	-	-	-	-	1,417	623	912	889	1,957
Restricted	-	-	-	-	-	8,961	18,699	19,876	25,080	23,403
Reserved	8,389	10,819	7,730	8,868	8,129	-	-	-	-	-
Unreserved	7,350	6,820	13,821	13,486	19,423	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	13,179	12,542	12,462	13,993	15,559
Unassigned	-	-	-	-	-	(9,097)	(1,996)	(2,359)	(2,447)	(2,775)
Total nonmajor governmental funds	<u>15,739</u>	<u>17,639</u>	<u>21,551</u>	<u>22,354</u>	<u>27,552</u>	<u>14,460</u>	<u>29,868</u>	<u>30,891</u>	<u>37,515</u>	<u>38,144</u>
Total fund balance governmental funds	<u>\$ 15,645</u>	<u>\$ 18,708</u>	<u>\$ 17,969</u>	<u>\$ 4,834</u>	<u>\$ 16,240</u>	<u>\$ (24,561)</u>	<u>\$ 14,541</u>	<u>\$ 29,884</u>	<u>\$ 13,999</u>	<u>\$ 10,171</u>

Note: In 2009 GASB 54 was implemented which eliminated the Reserve and Unreserved classifications and replaced them with Nonspendable, Restricted and Unrestricted. Within the Unrestricted category, three classifications of fund balance were created: Committed, Assigned and Unassigned.

Table 4
City of Toledo, Ohio
Changes in Fund Balances, Government
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Income taxes	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581	\$ 158,523	\$ 158,775	\$ 164,787
Property taxes	17,231	17,330	19,424	18,078	13,612	11,936	11,845	11,381	9,598	9,552
Special assessments	20,684	21,788	24,601	24,737	23,965	26,592	25,691	23,925	25,450	21,822
Licenses and permits	3,071	3,012	2,830	2,541	2,103	2,363	2,303	2,283	2,414	2,476
Intergovernmental services	75,186	79,957	78,710	72,285	89,942	76,659	38,861	37,589	38,020	35,358
Charges for services	14,003	15,081	17,364	21,104	21,516	24,347	27,987	27,249	28,130	27,532
Investment earnings	4,153	7,194	8,553	5,582	2,483	1,605	1,240	1,007	508	454
Fines and forfeitures	6,080	6,094	6,339	7,268	5,971	5,648	5,829	7,952	8,590	7,491
Grants	-	-	-	-	-	-	47,464	45,775	27,499	30,873
Other revenue	2,882	1,475	3,325	2,521	8,653	4,277	4,544	4,538	8,505	10,104
Total revenues	303,973	316,649	330,835	308,591	309,799	298,008	319,345	320,222	307,489	310,449
Expenditures:										
General government	16,908	18,160	17,589	19,007	18,024	15,844	15,923	17,392	28,465	26,951
Public services	34,235	34,216	33,788	37,589	35,432	34,834	36,599	34,660	35,062	41,760
Public safety	150,182	158,575	164,128	170,803	155,040	159,374	172,055	165,245	163,565	168,872
Public utilities	39	38	102	154	115	2	7	1	1	8
Community environment	13,432	19,281	18,926	18,078	18,017	31,079	26,047	27,799	19,273	20,969
Health	16,600	17,403	17,915	18,199	16,473	13,727	17,344	18,019	7,940	7,939
Parks and recreation	3,736	3,876	3,466	3,490	2,742	2,660	2,791	3,018	3,487	2,959
Capital outlay	67,895	61,690	57,883	49,179	50,835	44,303	20,740	48,647	53,174	41,991
Debt service:										
Principal	16,920	18,465	17,248	16,633	18,903	25,396	18,329	27,401	23,307	25,523
Interest	8,946	10,111	10,368	10,596	9,620	11,913	13,343	10,435	7,124	6,983
Debt issuance costs	-	-	-	-	-	-	-	-	-	219
Total expenditures	328,893	341,815	341,413	343,728	325,201	339,132	323,178	352,617	341,398	344,174
Excess of revenues over (under) expenditures	(24,920)	(25,166)	(10,578)	(35,137)	(15,402)	(41,124)	(3,833)	(32,395)	(33,909)	(33,725)
Other financing sources (uses):										
Transfers in	55,015	52,718	55,673	47,280	53,893	63,947	76,615	73,235	70,140	72,899
Transfers out	(56,799)	(52,852)	(56,709)	(46,989)	(65,903)	(63,414)	(63,921)	(73,524)	(69,902)	(71,699)
Issuance of debt	13,613	27,551	10,923	20,528	34,277	19,933	763	41,455	14,046	22,884
Premium (discount) on bond	138	672	114	482	3,763	171	89	1,498	884	1,972
Capital lease proceeds	-	-	-	-	-	-	231	3,001	3,386	948
Sale of capital assets	135	43	11	26	746	101	12,129	-	87	167
Total other financing sources (uses)	12,102	28,132	10,012	21,327	26,776	20,738	25,906	45,665	18,641	27,171
Net change in fund balance	\$ (12,818)	\$ 2,966	\$ (566)	\$ (13,810)	\$ 11,374	\$ (20,386)	\$ 22,073	\$ 13,270	\$ (15,268)	\$ (6,554)
Debt services as a percentage of noncapital expenditures	11.0%	11.4%	10.8%	10.2%	11.6%	14.5%	11.7%	12.3%	10.6%	10.4%

Table 5
City of Toledo, Ohio
General Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Income taxes	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581	\$ 158,523	\$ 158,775	\$ 164,787
Property taxes	17,231	17,330	19,424	18,078	13,612	11,936	11,845	11,381	9,598	9,552
Special assessments	20,684	21,788	24,601	24,737	23,965	26,592	25,691	23,925	25,451	21,822
Licenses and permits	3,071	3,012	2,830	2,541	2,103	2,363	2,303	2,283	2,414	2,476
Intergovernmental services	75,186	79,957	78,710	72,285	89,942	42,521	40,371	37,589	38,020	35,358
Charges for services	14,003	15,081	17,364	21,104	21,516	24,347	27,987	27,249	28,130	27,532
Investment earnings	4,153	7,194	8,553	5,582	2,483	1,605	856	1,007	508	454
Fines and forfeitures	6,080	6,094	6,339	7,268	5,971	5,648	5,829	7,952	8,590	7,491
Grants	-	-	-	-	-	34,138	46,563	45,775	27,859	30,873
Other revenue	2,882	1,475	3,325	2,521	8,660	4,277	5,101	4,538	8,505	10,104
Total	\$ 303,973	\$ 316,649	\$ 330,835	\$ 308,591	\$ 309,806	\$ 298,008	\$ 320,127	\$ 320,222	\$ 307,850	\$ 310,449

Table: 6
City of Toledo, Ohio
Income Tax Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Withholding	\$ 138,043	\$ 139,805	\$ 141,583	\$ 132,948	\$ 122,927	\$ 124,108	\$ 129,855	\$ 128,215	\$ 131,343	\$ 139,396
Utility	492	783	1,863	1,542	891	589	321	1,867	10	-
Business	15,747	17,443	19,331	14,353	11,872	13,051	15,468	19,956	19,710	18,898
Individuals	6,401	6,687	6,912	5,632	5,864	6,833	7,937	8,485	7,712	6,493
Total	<u>\$ 160,683</u>	<u>\$ 164,718</u>	<u>\$ 169,689</u>	<u>\$ 154,475</u>	<u>\$ 141,554</u>	<u>\$ 144,581</u>	<u>\$ 153,581</u>	<u>\$ 158,523</u>	<u>\$ 158,775</u>	<u>\$ 164,787</u>

Table 7
City of Toledo, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts expressed in thousands)

Tax Collection Year	Real Property		Public Utility		Personal Property		Total		Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value		
2014	\$ 3,039,205	\$ 8,683,443	\$ 161,170	\$ 644,680	\$ -	\$ -	\$ 3,200,375	\$ 9,328,123	34.3%	4.4
2013	3,060,991	8,745,689	150,560	602,241	-	-	3,211,551	9,347,930	34.4%	4.4
2012	3,629,878	10,371,080	123,218	492,972	-	-	3,753,096	10,864,052	34.6%	4.4
2011	3,687,360	10,535,314	118,417	338,334	-	-	3,805,777	10,873,648	35.0%	4.4
2010	3,741,678	10,690,509	112,681	450,724	8,483	1,022,045	3,862,842	12,163,278	31.8%	4.4
2009	4,171,406	11,918,303	107,551	430,204	18,638	1,242,206	4,297,595	13,590,713	31.6%	4.4
2008	4,197,056	11,991,589	155,080	620,320	239,911	959,644	4,592,047	13,571,553	33.8%	4.4
2007	4,315,322	12,329,491	154,646	618,584	343,264	1,373,056	4,813,232	14,321,131	33.6%	4.4
2006	3,772,059	10,777,311	155,248	620,992	442,309	1,769,236	4,369,616	13,167,539	33.2%	4.4
2005	3,789,811	10,828,031	165,221	660,884	468,208	1,872,832	4,423,240	13,361,747	33.1%	4.4

(1) Estimated actual values for Personal Property and Public Utilities have been calculated by the respective county auditors.
The State of Ohio phased out tangible Personal Property tax in 2010.

Source: Lucas County Auditor.

Table: 8
City of Toledo, Ohio
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Tax Collection Year	City of Toledo				Transit Authority	Port Authority	Lucas County	Toledo School District	Metro Park District	Total
	General Fund	Police Pension Fund	Fire Pension Fund	Total Toledo Rate						
2014	3.80	0.30	0.30	4.40	2.50	0.40	19.82	67.40	2.30	96.82
2013	3.80	0.30	0.30	4.40	2.50	0.40	19.82	67.40	2.30	96.82
2012	3.80	0.30	0.30	4.40	2.50 #	0.40	16.07	65.90	1.70	90.97
2011	3.80	0.30	0.30	4.40	2.50	0.40	16.07	67.70	1.70	97.17
2010	3.80	0.30	0.30	4.40	2.50	0.40	16.07	67.70	1.70	92.77
2009	3.80	0.30	0.30	4.40	2.50	0.40	17.77	67.70	1.70	94.47
2008	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2007	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2006	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2005	3.80	0.30	0.30	4.40	2.50	0.40	14.75	63.05	1.70	86.80

Source: Lucas County Auditor.

Table 9
City of Toledo, Ohio
Top 75 withholders by Industry
Last Ten Fiscal Years
(Amounts in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Nonprofit	\$ 10,159	\$ 10,013	\$ 10,040	\$ 14,174	\$ 14,825	\$ 14,092	\$ 13,405	\$ 14,674	\$ 12,870	\$ 14,155
Hospital	11,847	12,196	12,302	9,077	13,484	12,494	13,159	9,333	9,751	8,293
Manufacturing	23,595	22,702	20,101	15,934	11,706	15,211	16,576	14,887	18,242	21,799
Government	1,598	10,219	10,497	10,723	10,276	10,107	10,078	10,156	9,137	8,390
Services	1,598	10,408	14,672	10,984	8,140	6,872	9,960	13,071	13,897	16,242
Retail	1,598	1,750	1,027	943	1,375	1,184	1,266	1,452	1,166	1,389
Banking	1,300	1,263	1,207	1,009	907	911	969	1,080	1,212	1,109
Grocery	1,332	1,349	1,404	1,442	766	751	732	819	775	740
Transportation	773	328	356	367	563	348	385	548	392	423
Technology	-	-	-	1,447	411	356	343	-	-	-
Construction	228	413	225	-	-	-	-	-	-	-
Total	\$ 54,028	\$ 70,641	\$ 71,831	\$ 66,100	\$ 62,453	\$ 62,326	\$ 66,873	\$ 66,020	\$ 67,442	\$ 72,540

Table 10
City of Toledo, Ohio
Real and Public Utility Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Tax Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Years	Amount of Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	14,163	12,451	87.9%	974	13,425	94.8%
2013	14,262	12,461	87.4%	1,048	13,509	94.7%
2012	16,543	14,415	87.1%	1,135	15,550	94.0%
2011	16,781	14,835	88.4%	1,128	15,963	95.1%
2010	16,975	14,800	87.2%	1,094	15,894	93.6%
2009	18,806	16,703	88.8%	1,084	17,787	94.6%
2008	19,180	16,574	86.4%	1,326	17,900	93.3%
2007	19,693	17,782	90.3%	1,232	19,014	96.6%
2006	17,305	15,889	91.8%	986	16,875	97.5%
2005	16,954	16,702	98.5%	100	16,802	99.1%

Source: Lucas County Auditor.

Table: 11
City of Toledo, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities			Business Type Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Assessed Services	General Fund Capital Projects Loans & Leases	Water Revenue Bonds	Sanitary Sewer Revenue Bonds	General Obligation Bonds	Capital Projects Loans	Other Loans			
2014	\$ 123,648	\$ 40,700	\$ 49,652	\$ 287,273	\$ 20,553	\$ 18,204	\$ 350,789	\$ 577	891,396	5.3%	2,046
2013	116,597	35,800	52,644	295,462	23,385	19,192	320,493	1,016	864,589	5.3%	1,990
2012	123,859	35,600	47,640	110,086	26,011	28,553	277,491	10,158	659,398	4.4%	1,549
2011	118,845	39,960	47,909	67,439	28,514	21,022	242,636	11,086	577,411	4.0%	1,408
2010	130,166	41,060	52,716	72,909	30,932	23,449	216,342	16,866	584,440	4.0%	1,406
2009	136,623	41,200	53,432	75,850	33,682	21,685	220,330	10,138	592,940	4.1%	1,399
2008	120,809	40,300	50,898	79,962	36,231	22,755	212,184	11,270	574,409	4.0%	1,383
2007	116,016	38,800	52,966	87,010	39,134	23,783	206,259	12,381	576,349	3.9%	1,359
2006	111,066	37,700	56,008	91,888	42,035	24,593	178,356	13,119	554,765	3.9%	1,256
2005	112,803	36,500	53,608	96,433	44,710	25,683	104,364	13,760	487,861	3.5%	1,087

Notes: 1. Decisions regarding the City's outstanding debt can be found in the notes to the financial statements.
2. See Table 16 for personal income and per capita information.

Table: 12
City of Toledo, Ohio
Ratio of Net General Bonded Debt to Assesses Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross General Obligation Bonded Debt (2)	Less Balance in Debt Service Fund (2) & (3)	General Bonded Debt (2)	Net Bonded Debt to Assessed Value	Bonded Debt Per Capita
2014	281,031	3,200,375	\$ 141,852	-	141,852	4.4%	504.76
2013	287,208	3,211,552	141,120	-	141,120	4.4%	491.35
2012	287,208	3,232,265	142,560	-	143,832	4.4%	500.79
2011	287,208	3,753,096	142,184	-	143,832	3.8%	500.79
2010	287,208	3,805,777	143,832	(190)	143,642	3.8%	500.13
2009	313,619	4,128,523	152,563	(118)	152,445	3.7%	486.08
2008	313,619	4,297,595	136,904	(90)	136,814	3.2%	436.24
2007	313,619	4,592,047	131,821	(58)	131,763	2.9%	420.14
2006	313,619	4,813,232	126,683	(45)	126,638	2.6%	403.80
2005	313,619	4,369,616	128,474	(38)	128,436	2.9%	409.53

- Notes:**
- (1) Source: U.S. Bureau of the Census.
 - (2) Amounts shown in thousands of dollars. Personal Property starting in 2010 is not part of this calculation.
Source: Lucas County Auditor.
 - (3) The City has paid its general bonded debt service for the tax years shown from current income tax revenues.
The amount required is transferred to the debt service funds from the capital improvement fund.

Table: 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2014

(amounts expressed in thousands)

	<u>Amount of Debt</u>	<u>Applicable To City</u>	<u>City's Share</u>
Direct debt: *			
City of Toledo	\$ 141,852	100.0%	\$ 141,852
Total direct debt	<u>141,852</u>		<u>141,852</u>
Subdivision overlapping debt: **			
Toledo City School District	139,285	98.9%	137,809
Lucas County	8,412	45.4%	3,819
Sylvania City School District	91,567	7.6%	6,950
Maumee City School District	29,995	10.5%	3,147
Springfield Local School District	8,650	9.3%	802
Sylvania Area Joint Recreation Dist	7,995	7.6%	607
Ottawa Hills Local School District	990	0.1%	1
Total subdivision overlapping debt	<u>286,894</u>		<u>153,135</u>
Total Direct and Overlapping Debt	<u>\$ 428,746</u>		<u>\$ 294,987</u>

General obligation debt may be issued by the City without a vote of the electors, subject to overlapping restrictions. Total debt service charges for any one year of all overlapping debt must not exceed ten mills per \$1.00 of assessed valuation. This indirect debt limitation is imposed by a combination of provisions of Ohio Constitution and the Revised Code.

* **Source:** Lucas County Auditor.

** **Source:** Ohio Municipal Advisory Council

Table: 14
City of Toledo, Ohio
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 458,810	\$ 505,389	\$ 482,165	\$ 451,247	\$ 405,598	\$ 399,607	\$ 394,075	\$ 339,388	\$ 356,648	\$ 336,039
Total net debt applicable to limit	<u>128,474</u>	<u>126,683</u>	<u>131,821</u>	<u>136,904</u>	<u>152,563</u>	<u>143,832</u>	<u>138,879</u>	<u>145,180</u>	<u>141,120</u>	<u>143,540</u>
Legal debt margin	<u>\$ 330,336</u>	<u>\$ 378,706</u>	<u>\$ 350,344</u>	<u>\$ 314,343</u>	<u>\$ 253,035</u>	<u>\$ 255,775</u>	<u>\$ 255,196</u>	<u>\$ 194,208</u>	<u>\$ 215,528</u>	<u>\$ 192,499</u>
Total net debt applicable to limit as a percentage of legal debt margin	38.89%	33.45%	37.63%	43.55%	60.29%	56.23%	54.42%	74.75%	65.48%	74.57%

Table: 15
City of Toledo, Ohio
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
Water Revenue Bonds							
2014	\$ 57,205	\$ 35,300	\$ 21,905	\$ 8,189	\$ 13,122	\$ 21,311	1.0
2013	52,413	30,719	21,694	5,702	7,492	13,194	1.6
2012	44,031	32,997	11,034	5,667	2,897	8,564	1.3
2011	43,211	32,599	10,612	5,405	2,943	8,348	1.3
2010	42,199	32,851	9,348	5,215	3,125	8,340	1.1
2009	35,813	26,847	8,966	5,240	3,628	8,868	1.0
2008	38,070	27,072	10,998	5,015	3,835	8,850	1.2
2007	41,713	29,016	12,697	4,715	4,494	9,209	1.4
2006	38,811	26,002	12,809	4,545	4,464	9,009	1.4
2005	39,875	27,524	12,351	5,565	3,174	8,739	1.4
Sewer Revenue Bonds							
2014	\$ 69,688	\$ 37,402	\$ 32,286	\$ 2,832	\$ 862	\$ 3,694	8.7
2013	69,522	29,321	40,201	2,856	1,209	4,065	9.9
2012	66,405	39,941	26,464	2,504	1,261	3,765	7.0
2011	65,271	38,020	27,251	2,445	1,261	3,706	7.4
2010	57,010	33,736	23,274	2,360	1,361	3,721	6.3
2009	54,094	30,610	23,484	3,140	1,590	4,730	5.0
2008	56,064	31,317	24,747	3,015	1,721	4,736	5.2
2007	52,289	31,367	20,922	2,790	6,381	9,171	2.3
2006	51,253	29,633	21,620	2,675	5,409	8,084	2.7
2005	47,366	27,338	20,028	7,540	4,589	12,129	1.7

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

Table: 16
City of Toledo, Ohio
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Toledo Population	Personal Income*	Per Capita Personal Income*	Median Age	Public School Enrollment	Unemployment Rate
		(expressed in thousands)				
2014	281,031	16,846,330	38,604	34.3	22,256	5.7%
2013	287,208	16,443,243	37,542	37.5	22,283	7.9%
2012	286,031	15,104,299	36,646	34.2	22,540	7.6%
2011	287,208	15,104,299	35,208	35.7	30,000	9.7%
2010	287,208	14,498,105	35,147	33.8	25,000	10.3%
2009	313,619	14,327,871	34,123	35.1	26,400	12.4%
2008	313,619	14,525,628	34,578	35.1	26,500	8.9%
2007	313,619	14,686,439	34,839	35.3	26,600	7.3%
2006	313,619	14,304,000	32,200	35.3	29,070	6.8%
2005	313,619	13,890,020	31,045	35.3	29,850	7.3%

Sources: U.S. Bureau of Economic Analysis
U.S. Bureau of the Census

Notes: Personal income is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

* values are calculated using Lucas County statistics

Table: 17
City of Toledo, Ohio
Principal Employers, Toledo Major Service Area
Current Year and Ten Years Ago

Employer	2014			2004		
	Employees	Rank	of Total MSA Employment	Employees	Rank	of Total MSA Employment
Promedica Health Systems	15,000	1	4.57%	10,739	1	3.27%
Mercy Health Partners	7,052	2	2.15%	6,568	3	2.00%
The University of Toledo and Medical Center	6,485	3	1.98%	8,300	2	2.53%
Bowling Green State University	6,175	4	1.88%	5,361	4	1.63%
Fiat Chrysler	4,938	5	1.50%	4,000	7	1.22%
Toledo City School District	3,780	6	1.15%	5,300	5	1.61%
Lucas County	3,511	7	1.07%	4,037	6	1.23%
The Kroger Company	2,924	8	0.89%	3,721	9	1.13%
The City of Toledo	2,775	9	0.85%	2,960		0.90%
Sauder Woodworking Co.	2,400	10	0.73%	3,000	10	0.91%
Wal-Mart	2,375		0.72%	1,432		0.44%
State of Ohio	2,083		0.63%	2,326		0.71%
General Motors Corp./GM Powertrain Division	2,028		0.62%	3,860	8	1.18%
The Andersons	1,672		0.51%	2,900		0.88%
Meijer	1,608		0.49%	1,774		0.54%
United Parcel Service (UPS)	1,597		0.49%	2,108		0.64%
Total	66,403		20.23%	68,386		20.84%

Source: Dun & Bradstreet reports and the Toledo Regional Growth Partnership
(a) Merged with University of Toledo

Table: 18
City of Toledo, Ohio
Full Time Equivalent City Government Employees by Major Service Area
Last Ten Fiscal Years

<u>Major Service Area</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public safety	1,323	1,345	1,326	1,270	1,191	1,152	1,160	1,138	1,518	1,482
Public utilities	582	587	597	578	575	564	563	552	641	602
Public service	447	447	436	430	427	377	381	374	236	233
General government	336	342	350	343	327	423	428	420	263	236
Community environment	88	86	85	84	81	79	82	80	101	104
Parks and recreation	74	76	81	75	64	63	65	64	63	62
Total	<u>2,850</u>	<u>2,883</u>	<u>2,875</u>	<u>2,780</u>	<u>2,665</u>	<u>2,658</u>	<u>2,679</u> ⁰	<u>2,628</u> ⁰	<u>2,822</u> ⁰	<u>2,719</u>

Source: City of Toledo payroll office

Notes: Full-time equivalent employment is calculated by dividing total labor hours by 2,088 hours per year.

Table: 19
City of Toledo, Ohio
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building permits	6,314	6,492	5,537	5,055	4,260	4,984	3,631	3,492	3,192	3,446
Value of permits (in thousands)	295,067	276,746	146,514	196,578	138,153	168,415	297,612	140,436	101,687	162,718
Total board-ups	586	931	664	710	704	748	774	1,594	1,152	1,325
Total demolitions	222	285	312	300	300	325	412	382	726	265
Police										
Traffic citations	48,504	52,331	60,786	55,694	21,966	23,895	41,990	50,418	59,345	54,855
Red light cameras	25,186	18,512	24,104	18,142	19,681	20,008	27,166	71,664	63,574	54,021
Number of offenses	27,776	26,534	23,826	22,738	36,433	35,568	13,194	11,944	9,278	8,726
911 call volume	433,415	430,523	406,101	392,969	389,112	389,112	438,287	443,697	225,677	213,789
Non-emergency calls	108,961	114,065	111,755	101,882	87,412	87,412	91,373	93,843	87,298	84,768
Fire										
Emergency runs	39,796	38,630	41,135	40,003	42,639	41,154	47,112	48,949	47,458	48,709
Fire runs	7,175	7,550	7,533	10,346	6,812	6,958	7,274	6,930	6,307	6,713
Total runs	46,971	46,180	48,668	50,349	49,451	48,112	54,386	55,879	53,765	55,422
Other public works										
Traffic signs manufactured/installed	25,653	26,936	32,508	31,491	29,879	29,879	29,879	13,000	13,938	13,081
Energy reduction (traffic signals)	10.3%	13.1%	17.1%	17.8%	17.9%	17.9%	17.9%	88.0%	8.0%	9.0%
Traffic signals replaced	79	81	122	458	386	324	358	301	320	336
Traffic signal calls	7,069	6,823	6,731	6,125	5,867	5,648	5,612	1,044	4,200	4,136
Energy										
Electric customers - Toledo Edison Company	303,000	307,000	307,000	310,000	310,000	305,000	305,000	308,000	308,175	308,142
Natural gas customers - Columbia Gas of Ohio, Inc.	177,329	178,500	176,715	173,000	172,000	171,000	171,000	105,614	112,000	112,000
Toledo Lucas County Public Library										
Volumes in collection	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,210,000	2,294,392	2,203,837
Total volumes borrowed	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,005,000	6,904,367	6,699,498
Water										
New connections	1,404	791	584	622	618	725	715	220	257	198
Water main breaks	447	203	448	333	306	315	300	365	402	377
Average daily consumption (millions of gallons)	86.9	80.8	80.7	76.6	76.6	75.8	78.0	120.0	78.0	78.0
Wastewater										
Average daily treatment (millions of gallons)	90.7	76.4	70.9	75.9	71.4	70.7	71.0	70.0	62.1	72.5
Public Transit										
Toledo Area Regional Transit Authority passengers	4,727,186	4,614,412	4,609,701	4,622,229	4,075,250	4,156,305	3,357,675	3,415,007	3,128,566	2,191,695

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.

Table 20
City of Toledo, Ohio
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/ Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Number of stations	3	3	3	2	2	3	3	3	2	3
Number of substations	3	3	3	3	2	1	2	2	1	1
Number of employees with arrest power	673	688	667	637	583	566	578	582	648	612
Number of neighborhood offices	7	7	7	7	3	4	4	4	-	-
Fire Division										
Number of stations	17	17	17	17	17	17	18	18	18	18
Number of firefighters	498	525	484	478	462	482	489	502	541	517
Other public works										
Streets (in miles)	1,122	1,122	1,122	1,122	1,122	1,123	1,123	1,139	1,139	1,224
Rail (in miles)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Toledo Lucas County Public Library										
Branches	18	18	18	18	18	18	20	19	19	19
Medical										
Number of hospitals	4	4	4	4	4	4	4	4	4	4
Number of beds	1,839	1,839	1,684	1,716	1,661	1,673	1,681	1,689	1,750	1,635
Parks & recreation										
Acreage	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,687	2,177	2,185
Number of parks	145	145	145	145	145	145	145	145	145	144
Public pools	12	12	12	12	12	12	12	11	10	10
Golf courses	16	16	16	16	16	16	16	16	16	16
Water										
Water lines (in miles)	1,150	1,150	1,165	1,165	1,165	1,165	1,165	1,188	1,165	1,168
Storage capacity (in millions of gallons)	78	78	78	78	78	78	78	80	78	78
Plant capacity (in millions of gallons)	150	150	150	150	150	150	150	150	150	150
Wastewater										
Sanitary sewers (in miles)	960	960	960	960	960	960	960	955	961	961
Treatment capacity (in millions of gallons)	102	102	102	102	102	102	102	102	102	102

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.

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