

2015

**Comprehensive Annual Financial Report
City of Toledo, Ohio**



For the Year Ended December 31, 2015

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015



PAULA HICKS-HUDSON, MAYOR

**GEORGE E. SARANTOU
FINANCE DIRECTOR**

INTRODUCTORY SECTION

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015**

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INTRODUCTORY SECTION

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CITY OF TOLEDO



Paula Hicks-Hudson
Mayor

George E. Sarantou
Director of Finance

June 30, 2016

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, 2015.

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, 2015. 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 streets, 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. ProMedica is currently proceeding with a \$350 million project to redevelop its main hospital campus in the City of Toledo.
- 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. The University Medical Center, to strengthen its medical training programs, formalized a joint operating agreement with ProMedica Health Care Systems. 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. In 2015 Fiat Chrysler Automobiles announced that Jeep Wrangler production would continue and a new Jeep Truck would be produced in Toledo. Production of the Cherokee Limited, currently assembled in Toledo, was scheduled to be moved to another assembly plant. Fiat Chrysler Automobiles, as part of their labor agreement with the UAW, agreed to keep the same employment levels at the Toledo assembly plant. Employment at the Toledo Assembly Complex, located on 312 acres in the City, is 4,108 full time workers and 1000 part-time workers. Fiat Chrysler Automobiles employment at its Toledo Machining Plant in nearby Perrysburg is 1,048. 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 transmission. 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 upgrade of its assembly line for front-wheel drive six-speed transmissions. 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.
- In May 2016 Dana Holding Corporation announced plans for a \$70 million axle plant that will employ at least 300 people in the Overland Industrial Park (site of the old Jeep manufacturing plant) located in the City of Toledo. The plant, which is expected to be operating by mid- to late 2017, will make axles for the next generation of the Jeep Wrangler.
- 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 "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. According to United States Labor Department data, education and health care industry employment in the Toledo MSA has increased by 20% since 2000.

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 2015, the ProMedica Health System, the largest employer in the Toledo MSA, began construction 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, the development of 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 and other financial incentives after the project is completed in 2017. 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.
- In 2016, work began on a new 615,000 square foot tower at ProMedica Toledo Hospital and Toledo Children's Hospital. Named the Generations Tower, it will replace an 86-year old Legacy Tower on North Cove Boulevard and create a new entrance for the hospital on ProMedica Parkway. The tower is part of a \$350 million expansion project and will house 320 patient rooms. Construction is scheduled to continue through 2017; mechanical, electrical and plumbing systems, interior and exterior finishes, and parking facilities will be completed by the end of 2019.
- The Toledo Mud Hens Baseball Club, Inc. has completed an estimated \$19 million public/private partnership project to renovate three 19th-century buildings and creating 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 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. Funding for the project included 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 was 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 from an Ohio Cultural Facilities Commission grant of \$6.1 million and from private sources.

ACCOUNTING SYSTEM

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 within the business cycle (within 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. The City utilizes the SAP enterprise resource planning (ERP) system, which was implemented in May of 2010.

In November of 2015, the City of Toledo became the first major city in Ohio to participate in the State Treasurer's OhioCheckbook.com program. OhioCheckbook.com is a transparency initiative allowing citizens to view the City's individual financial transactions online.

BUDGETING AND LONG-TERM FINANCIAL PLANNING

The Toledo Charter identifies the City's fiscal year as beginning on January 1st, while requiring that the Mayor prepare a temporary balanced budget estimate on or before November 15th for the following year. A final balanced budget is required to be approved by City Council no later than March 31st. Additional budgetary information is also contained in Note 4 of the *Notes to the Basic Financial Statements*.

In 2015, the City's uninsured outstanding general obligation bonds were rated "A2" with a stable outlook and "A-" with a stable outlook by Moody's Investors Service. The City monitors its leeway within the direct debt limitation. The City's legal debt margin information is contained in Table 14 of the Statistical Section.

INTERNAL CONTROL

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, 2014. The certificate is valid for a period of one year. This is the thirty-third 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.

The City also received from the Ohio Auditor of State the Award with Distinction for its 2014 CAFR, which is granted to organizations that file their reports on a timely basis in accordance with GAAP and which receive a "clean" audit report. A "clean" audit is one that contains no findings for recovery, material weaknesses, significant deficiencies, and with no findings or questioned costs on the Single Audit. Less than 4% of all CAFRs produced in the state qualify for this award.

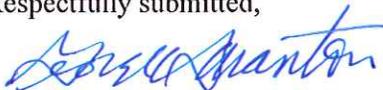
We believe that our current year report continues to conform to the stringent guidelines and requirements of the program, and the City continues to submit a CAFR to the GFOA to determine its current eligibility for another certificate.

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, 2014

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
As of December 31, 2015

Mayor: Paula Hicks-Hudson

MEMBERS OF COUNCIL

<u>District Seats</u>	<u>Length of Current Terms</u>
District 1: Tyrone Riley (West-Central).....	Four Years
District 2: Matt Cherry (South-West).....	Two Years
District 3: Mike Craig (East Toledo-Historic South).....	Ten Years
District 4: Yvonne Harper (Central City).....	One Year
District 5: Tom Waniewski (North-West).....	Eight Years
District 6: Lindsay Webb (North Toledo-Point Place).....	Eight Years

At-Large Seats

Dr. Cecelia Adams.....	One Year
Theresa Gabriel.....	Two Years
Rob Ludeman.....	Six Years
Sandy Spang.....	Two Years
Steven Steel (President).....	Seven Years
Larry Sykes (Chairman, Finance, HR, & IT Committee).....	Three Years

Appointed Positions

Clerk of Council.....	Gerald E. Dendinger.....	Twenty Years
Director of Finance.....	George Sarantou.....	Two Years
Treasurer.....	Clarence E. Coleman, CPA.....	Fourteen Years
City Auditor.....	John A. Jaksetic, CPA.....	Two Years

Citizens of Toledo

MAYOR
Paula Hicks-Hudson

Toledo-Lucas County
Health Department
Dr. David Grossman

PIO
J. Schroeder

Chief of Staff
Mark Sobczak

Assistant
S. Jimenez

Law
Adam Loux

Mayor's Office Staff
C. Hartman – Admin. Assistant
L. Weeks – Mayor's Assistant
E. Rodriguez – Mayor's Assistant

Executive Officer
Alan Bannister

Dir. of Public Safety
B. Reinbolt

Chief Operating Officer
Eileen Granata

Diversity and Inclusion
C. Brown

Youth Commission
A. Smith

BCR
L. Alvarado-Arce

HR
M. Niedzielski

DPS
B. Franklin

SBH
D. Welch

Transportation
S. Frederick

Solid Waste
D. Pittman

PRF
L. Ward

Fleet & Facilities
K. McCarthy

DPU
E. Moore

Field Operations
J. Mazur

Utilities Admin.
A. Arnold

Plant Operations
C. Campbell

Fire
L. Santiago

K. Marquardt
Asst. Chief

B. Byrd
Deputy Chief

T. Jaksetic
Deputy Chief

R. Syroka
Deputy Chief

Police
G. Kral

B. Tucker
Admn. Services

J. O'Bryant
Investigative Svcs.

T. Wiegand
Operations
Division

ICT
D. Scherting

Plan Commission
T. Gibbons

Finance
G. Sarantou

Tax/Treasury
C. Coleman

Accounts
P. Rancatore

Budget
M. Campbell

Purchasing
R. Jackson

Debt/CIP
B. Benner

Economic/ Business
Development
C. Lawshe

Commissioner
B. Burkett

Inspection/CBO
D. Golis

Neighborhoods
T. Kroma

Housing
A. Cox

Grants
B. Bonds

Code
Enforcement
C. Geronimo

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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, 2015, 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.

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

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, 2015, 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.

Effect of Adopting New Accounting Standards

As discussed in Note 15 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and schedules of net pension liabilities and pension contributions, as listed in the table of contents, 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, 2016, 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, 2016

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with the 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 2015 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 2015 by \$697.1 million. Of this amount (\$182.2) million is considered unrestricted. The unrestricted net position of the City's business-type activities are \$14.4 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 a deficit of (\$196.6) million, primarily due to the City's implementation of GASB Statement No. 68.
- The City's total net position decreased \$3.6 million or 0.5 percent in 2015. Net position of the governmental activities decreased \$34.7 million, which represents a 14.6 percent decrease from 2014. Net position of the business-type activities increased \$31.1 million or 6.7 percent from 2014.
- The total cost of the City's programs increased \$22.7 million or 4.9 percent. The cost of governmental activities increased \$25.6 million or 7.9 percent, while the cost of business-type activities decreased \$2.9 million or 2.1 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$5.3 million. The combined fund balance of the governmental funds decreased \$4.9 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, 2015
(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 41 and 42 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, 2015
(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 43 through 46 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 47 through 49 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 50 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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 53 through 108 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 and pension information. 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 113 through 119 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 125 through 159 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 163 through 201.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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, 2015 compared to December 31, 2014.

Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	<i>Restated</i> 2014	2015	<i>Restated</i> 2014	2015	<i>Restated</i> 2014
Assets						
Current and Other Assets	\$ 200,246	\$ 220,044	\$ 340,021	\$ 346,923	\$ 540,267	\$ 566,967
Capital Assets	538,219	565,041	907,084	847,753	1,445,303	1,412,794
Total Assets	<u>738,465</u>	<u>785,085</u>	<u>1,247,105</u>	<u>1,194,676</u>	<u>1,985,570</u>	<u>1,979,761</u>
Deferred Outflows of Resources	<u>34,480</u>	<u>22,315</u>	<u>4,668</u>	<u>3,500</u>	<u>39,148</u>	<u>25,815</u>
Liabilities						
Long-Term Liabilities						
Net Pension Liability	254,821	241,131	28,695	28,046	283,516	269,177
Other Long-Term Amounts	263,433	208,944	704,740	654,434	968,173	863,378
Other Liabilities	41,488	107,777	23,450	52,426	64,938	160,203
Total Liabilities	<u>559,742</u>	<u>557,852</u>	<u>756,885</u>	<u>734,906</u>	<u>1,316,627</u>	<u>1,292,758</u>
Deferred Inflows of Resources	<u>10,518</u>	<u>12,143</u>	<u>504</u>	<u>-</u>	<u>11,022</u>	<u>12,143</u>
Net Position						
Net Investment in Capital Assets	349,748	377,025	404,882	391,748	754,630	768,773
Restricted	49,575	58,721	75,073	89,146	124,648	147,867
Unrestricted (deficit)	(196,638)	(198,341)	14,429	(17,624)	(182,209)	(215,965)
Total Net Position	<u>\$ 202,685</u>	<u>\$ 237,405</u>	<u>\$ 494,384</u>	<u>\$ 463,270</u>	<u>\$ 697,069</u>	<u>\$ 700,675</u>

During 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract, but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows. The implementation of GASB Statement No. 68 had the effect of restating net position at December 31, 2014 from \$456.2 million to \$237.4 million in the governmental activities and \$487.8 million to \$463.3 million in the business-type activities.

As a result of implementing GASB Statement No. 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

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 \$697.1 million at the close of the most recent fiscal year.

The largest portion of the City's net position (108.3 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.

An additional portion of the City's net position (17.9 percent) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (a deficit of 26.2 percent) meets the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is a deficit of \$182.2 million, the unrestricted net position of the City's business-type activities, \$14.4 million, may not be used to fund governmental activities. As of the end of the current fiscal year, the City has unrestricted deficit net position related to governmental activities of \$196.6 million.

The overall net position of the City decreased \$3.6 million or 0.5 percent in 2015. The net position for governmental activities decreased \$34.7 million or 14.6 percent, due to a decrease in net investment in capital assets of \$34.3 million.

The net position of business-type activities of the City increased by \$31.1 million or 6.7 percent. The increase is primarily comprised of water operations and sewer operations, which provided an increase in net position of \$9.5 million and \$15.6 million, respectively. Storm utilities experienced an increase in net position of \$4.2 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

The following table provides a summary of the change in net position for 2015 compared to 2014:

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 74,412	\$ 74,630	\$ 162,968	\$ 155,504	\$ 237,380	\$ 230,134
Operating Grants	9,022	14,160	-	-	9,022	14,160
Capital Grants	19,996	14,486	1,524	2,483	21,520	16,969
Total Program Revenues	103,430	103,276	164,492	157,987	267,922	261,263
General Revenue:						
Income Taxes	171,053	163,653	-	-	171,053	163,653
Property Taxes	9,793	9,585	-	-	9,793	9,585
Investment Earnings	850	454	1,078	1,818	1,928	2,272
Intergovernmental Services	24,536	26,740	-	-	24,536	26,740
Sale of Capital Assets	-	167	48	673	48	840
Other	5,640	10,534	-	-	5,640	10,534
Total General Revenues	211,872	211,133	1,126	2,491	212,998	213,624
Total Revenues	315,302	314,409	165,618	160,478	480,920	474,887
Expenses						
General Government	23,241	29,937	-	-	23,241	29,937
Public Service	68,533	67,217	-	-	68,533	67,217
Public Safety	199,620	177,419	-	-	199,620	177,419
Public Utilities	3,880	3,753	-	-	3,880	3,753
Community Environment	23,550	21,427	-	-	23,550	21,427
Health	7,410	9,743	-	-	7,410	9,743
Parks and Recreation	6,388	6,702	-	-	6,388	6,702
Interest and Fiscal Charges	16,676	7,460	-	-	16,676	7,460
Water	-	-	56,417	53,472	56,417	53,472
Sewer	-	-	58,407	63,174	58,407	63,174
Other Enterprise Activities	-	-	20,404	21,468	20,404	21,468
Total Expense	349,298	323,658	135,228	138,114	484,526	461,772
Increase (Decrease) in Net Position						
Before Transfers	(33,996)	(9,249)	30,390	22,364	(3,606)	13,115
Transfers	(724)	1,200	724	(1,200)	-	-
Change in Net Position	(34,720)	(8,049)	31,114	21,164	(3,606)	13,115
Net Position - Beginning	237,405	464,270	463,270	466,652	700,675	930,922
<i>Restatement, see Note 15</i>	-	(218,816)	-	(24,546)	-	(243,362)
Net Position - Ending	\$ 202,685	\$ 237,405	\$ 494,384	\$ 463,270	\$ 697,069	\$ 700,675

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$25,815 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the 2015 statements report pension expense of \$28,450. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed.

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 349,298	\$ 135,228	\$ 484,526
Pension expense under GASB 68	(25,329)	(3,121)	(28,450)
2015 contractually required contribution	<u>23,068</u>	<u>3,137</u>	<u>26,205</u>
Adjusted 2015 program expenses	347,037	135,244	482,281
Total 2014 program expenses under GASB 27	<u>323,658</u>	<u>138,114</u>	<u>461,772</u>
Change in program expenses not related to pension	<u>\$ 23,379</u>	<u>\$ (2,870)</u>	<u>\$ 20,509</u>

Governmental activities: Governmental activities decreased the City's net position by \$34.7 million. Key elements of the changes in net position are as follows:

- Income tax revenue, which represents 54.3 percent of the City's governmental revenue, finished 2015 \$7.4 million higher than the previous year when taken on a full accrual basis. This was due primarily to growth in the automotive sector, which also included year-end bonuses for many workers in the automotive workforce in 2015.
- Operating grants decreased by \$5.1 million or 36.3 percent due to the Department of Neighborhoods receiving less funding from HUD for CDBG grants and HOME grants and the continued phase out of ARRA grants. Capital grants revenue experienced an increase of \$5.5 million, due to an influx of projects from the Ohio Department of Transportation, especially those associated with roundabouts.
- Other revenue decreased by \$4.9 million or 46.5 percent due to the sale of the Macy's building in 2014.
- Public safety expenses increased \$22.2 million or 12.5 percent due to additional police and fire classes.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

Business-type activities: Net position of the City's Business-type activities increased \$31.1 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$7.5 million or 4.8 percent in 2015, 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 decrease by \$1.0 million in 2015 primarily due to less funding from the Ohio Public Works Commission for projects associated with the Toledo Waterways Initiative.
- Expenses were \$2.9 million lower in 2015 versus the previous year due to additional investment in upgrades and improvements to the water treatment plant in 2014.

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, 2015
(continued)

As of December 31, 2015, the City's governmental funds reported a combined ending fund balance of \$5.3 million; a decrease of \$4.9 million in comparison with the prior year. There is an *unassigned fund balance* deficit of \$64.5 million. The *nonspendable fund balance* of \$8.1 million represents the City's investment in inventory, prepaid expenses and amounts held for cemetery perpetual care. The \$49.6 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 \$12.1 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 211.

General Fund: The general fund is the chief operating fund of the City. At December 31, 2015, the total fund balance of the general fund was \$10.2 million. The fund balance of the City's general fund increased \$0.4 million during 2015. The City's income tax revenue increased by \$4.3 million or 2.6 percent, due to growth in the automotive sector, which also included year-end bonuses for many of the automotive workforce in 2015. Expenditures increased by \$1.2 million or 0.6 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, 2015, total fund balance of the capital improvements fund is \$22.7 million. The fund balance of the capital improvements fund increased \$3.5 million during 2015. 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, 2015, total fund balance of the special assessment services funds was a deficit of \$60.6 million. The fund balance deficit of the special assessments services fund grew by \$3.7 million during 2015.

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, 2015
(continued)

Water: The total net position of the water fund at the end of the year amounted to \$163.4 million. The net position of the water fund increased \$9.5 million or 6.2 percent in 2015. Operating revenues increased by \$6.1 million or 10.7 percent over comparable revenue in 2014, due to a rate increase as part of the four year rate plan approved by City Council. Operating expenses increased \$3.7 million or 9.1 percent over comparable expenses in 2014. The implementation of GASB Statement No. 68 resulted in the recognition of \$9.8 million for its proportionate share of the net pension liabilities, leading to a deficit unrestricted net position of (\$5.1 million).

Sewer: The total net position of the sewer fund at the end of the year amounted to \$284.5 million of which \$21.5 million is unrestricted. The net position of the sewer fund increased \$15.6 million or 5.8 percent. Operating revenue increased \$1.0 million, or 1.4 percent in 2015. Operating expenses decreased \$5.2 million or 10.0 percent as compared to 2014 due to a decrease in contractual services. This fund also received revenue from capital contributions in 2015 of \$0.9 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 a deficit of (\$1.8 million), of which \$2.0 million is an unrestricted deficit. The net position of the utility administration services fund increased by \$0.7 million or 27.7 percent. Operating revenues for fiscal year 2015 increased by \$4.1 million or 33.4 percent. Operating expenses for fiscal year 2015 decreased by \$1.0 million or 8.0 percent. The implementation of GASB Statement No. 68 resulted in the recognition of \$4.8 million for its proportionate share of the net pension liabilities, leading to a deficit net position balance of (\$1.8 million).

Nonmajor Enterprise: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$48.3 million of which \$0.1 million is unrestricted. The net position of the nonmajor enterprise funds increased \$5.3 million. Operating revenues for fiscal year 2015 decreased by \$3.7 million or 22.7 percent over comparable revenue in 2014. Operating expenses for fiscal year 2015 decreased \$0.1 million or 1.4 percent over comparable expenses in 2014.

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 2015 final general fund total revenue budget was \$245.6 million as compared to the original budget of \$245.3 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

The following schedule is a summary of comparable general fund revenue for 2015 and 2014:

Revenues and Other Financing Sources
(Amounts in Thousands)

	2015	% of Total	Increase (Decrease) from 2014	% Change from 2014
Income Taxes	\$ 169,045	69.6%	\$ 4,258	2.6%
Property Taxes	9,911	4.1%	359	3.8%
Licenses and Permits	2,455	1.0%	(13)	-0.5%
Intergovernmental Services	18,100	7.5%	392	2.2%
Charges for Services	26,456	10.9%	191	0.7%
Investment Earnings	167	0.1%	(63)	-27.4%
Fines and Forfeitures	5,457	2.2%	(419)	-7.1%
Other Revenue	611	0.3%	(287)	-32.0%
Transfers In	10,546	4.3%	(2,872)	-21.4%
Total	<u>\$ 242,748</u>	<u>100.0%</u>	<u>\$ 1,546</u>	<u>-79.1%</u>

Key elements of the changes in revenues are as follows:

- Income tax revenue increased \$4.3 million or 2.6 percent under comparable revenue from 2014. The increase is primarily attributable to growth in the withholding tax of the automotive sector, which included year-end bonuses for many of the automotive workforce in 2015.
- Property Taxes increased \$359 thousand or 3.8 percent over comparable revenue from 2014, as the local economy continued to improve and the City collected an increased collection percentage on both current and delinquent property tax.
- Revenue from fines and forfeitures in 2015 decreased \$419 thousand from comparable revenue in 2014. This was due to a decrease in revenue from the red light camera enforcement program.

The 2015 final general fund total expense budget was \$245.6 million as compared to the original budget of \$245.3 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

The following schedule is a summary of comparable general fund expenditures for 2015 and 2014:

Expenditures and Other Financing Uses
(Amounts in Thousands)

	2015	% of Total	Increase (Decrease) from 2014	% Change from 2014
General Government	\$ 24,687	10.2%	\$ (868)	-3.4%
Public Service	1,839	0.8%	-	0.0%
Public Safety	166,292	68.7%	1,882	1.1%
Public Utilities	-	0.0%	(8)	-100.0%
Community Environment	4,824	2.0%	430	9.8%
Health	4,137	1.7%	(135)	-3.2%
Parks and Recreation	2,486	1.0%	(137)	-5.2%
Principal Retirement	570	0.2%	22	4.0%
Interest and Fiscal Charges	156	0.1%	(22)	-12.4%
Transfers Out	36,967	15.3%	959	2.7%
Total	<u>\$ 241,958</u>	<u>100.0%</u>	<u>\$ 2,123</u>	<u>-106.5%</u>

Key elements of the changes in expenditures are as follows:

- Public safety increased \$1.9 million or 1.1 percent over comparable expenditures from 2014. The increase is attributable to increased labor costs in the police department.
- Transfers out increased \$1.0 million or 2.7 percent over comparable expenditures from 2014. The increase is a result of the City's increase in income tax revenues, part of which is transferred to the capital improvement fund.
- General Government decreased \$0.9 million or 3.4 percent over comparable expenditures from 2014. The decrease is primarily attributable to reductions in full time and seasonal labor, as well as a reduction of compensated absence and workers compensation liability.

General Fund Equity: Total equity in the general fund was a positive balance of \$10.2 million. The equity balance is comprised of the following:

- *Nonspendable* – Inventory and prepaid expense of \$1.2 million comprised this category in 2015.
- *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 \$4.8 million in 2015.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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 \$1.9 million in 2015. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2015.
- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2015, the unassigned fund balance totaled \$ 2.3 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, 2015, 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 29,180	\$ 28,388	\$ 3,422	\$ 3,466	\$ 32,602	\$ 31,854
Construction in Progress	88,151	87,086	309,746	243,482	397,897	330,568
Building	37,006	35,969	22,404	23,609	59,410	59,578
Furniture and Fixtures	3,569	4,043	329	419	3,898	4,462
Improvements	48,809	52,376	61,681	64,976	110,490	117,352
Infrastructure	293,328	315,676	478,064	474,695	771,392	790,371
Machinery and Equipment	38,176	41,503	31,438	37,106	69,614	78,609
Total	<u>\$ 538,219</u>	<u>\$ 565,041</u>	<u>\$ 907,084</u>	<u>\$ 847,753</u>	<u>\$ 1,445,303</u>	<u>\$ 1,412,794</u>

Major capital asset events during 2015 included the following:

- The City's investment in capital assets increased \$32.5 million or 2.3 percent.
- Business-type capital assets increased by \$59.3 million or 7.0 percent net of \$22.0 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 \$26.8 million or 4.7 percent net of \$41.5 million in current year depreciation expense.

Additional information on the City's capital assets can be found in Note 6 on pages 75 through 77 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(continued)

Long-term debt: At December 31, 2015, the City had \$1.3 billion 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 \$55 thousand in assessment bonds and \$40.1 million in assessment notes all related to governmental activities outstanding at December 31, 2015. 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	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds and Notes	\$ 138,802	\$ 135,521	\$ 16,915	\$ 18,204	\$ 155,717	\$ 153,725
Revenue Bonds and Notes	40,100	40,700	296,914	307,826	337,014	348,526
Loans Outstanding	29,151	33,752	385,868	351,083	415,019	384,835
Capital Lease Obligations	12,401	4,027	-	283	12,401	4,310
Other Obligations	297,800	288,622	33,738	32,855	331,538	321,477
Total	<u>\$ 518,254</u>	<u>\$ 502,622</u>	<u>\$ 733,435</u>	<u>\$ 710,251</u>	<u>\$ 1,251,689</u>	<u>\$ 1,212,873</u>

Total long-term bonds, loans and leases outstanding at December 31, 2015 increased \$28.8 million or 3.2 percent as compared to the amount outstanding at December 31, 2014.

On December 31, 2015, 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, 2015
(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, 2015 as well as current assessed valuation, the City’s voted and nonvoted nonexempt debt capacities within the direct debt limitations were:

	Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10.50%	\$ 336,039	\$ 154,234	\$ 181,805
5.50%	\$ 176,020	\$ 154,234	\$ 21,786

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, 2015, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 7.6880 mills, up slightly from the prior year of 7.5479 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 2.3120 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 77 of this report. Information regarding long-term debt can be found in Note 8 on pages 78 through 83.

Economic Factors and 2016 Budgets and Rates

The City’s elected and appointed officials considered many factors when setting the fiscal 2016 budget, including slow growth as the local economy continues to recover from a the Great Recession. Our 2015 income tax revenues, which are the largest source of revenue for our general fund, increased by 2.6 percent over the previous year.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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 2016 is \$253.8 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, 2015
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with treasurer	\$ 14,286	\$ 22,710	\$ 36,996
Cash and cash equivalents held by escrow agent	12,675	23,197	35,872
Cash and cash equivalents other	12	142	154
Investments	19,222	57,481	76,703
Restricted investments	28,704	184,675	213,379
Receivables (net of allowances)	116,787	36,601	153,388
Due from other governments	9,501	-	9,501
Internal balances	(8,940)	8,940	-
Prepaid expenses	17	5	22
Inventory	7,982	6,130	14,112
Prepaid bond insurance	-	140	140
Capital assets:			
Land and construction in progress	117,331	313,168	430,499
Other capital assets, net of accumulated depreciation	420,888	593,916	1,014,804
Total Assets	738,465	1,247,105	1,985,570
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	34,480	4,668	39,148
Total Deferred Outflows of Resources	34,480	4,668	39,148
LIABILITIES			
Accounts payable	8,454	6,485	14,939
Customer deposits	3,023	3,417	6,440
Accrued wages and benefits	14,193	2,509	16,702
Accrued interest payable	764	5,912	6,676
Retainage	494	4,926	5,420
Due to other governments	-	201	201
Other current liabilities	14,560	-	14,560
Current portion of long-term liabilities:			
Compensated absences	372	140	512
Bonds, notes, loans and other obligations	50,955	33,195	84,150
Long-term liabilities:			
Compensated absences	29,051	4,903	33,954
Bonds, notes, loans and other obligations	183,055	666,502	849,557
Net pension liabilities	254,821	28,695	283,516
Total Liabilities	559,742	756,885	1,316,627
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	9,780	-	9,780
Pensions	738	504	1,242
Total Deferred Inflows of Resources	10,518	504	11,022
NET POSITION			
Net investment in capital assets	349,748	404,882	754,630
Restricted for:			
Debt service	284	10,358	10,642
Replacement	-	61,899	61,899
Capital improvement	28,975	2,816	31,791
Community programs	13,697	-	13,697
Other purposes	6,619	-	6,619
Unrestricted (deficit)	(196,638)	14,429	(182,209)
Total Net Position	\$ 202,685	\$ 494,384	\$ 697,069

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2015
(Amounts in Thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Primary Government						
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 23,241	\$ 17,835	\$ -	\$ -	\$ (5,406)	\$ -	\$ (5,406)
Public service	68,533	27,852	-	7,733	(32,948)	-	(32,948)
Public safety	199,620	15,338	3,531	3,746	(177,005)	-	(177,005)
Public utilities	3,880	14	30	1,328	(2,508)	-	(2,508)
Community environment	23,550	2,440	3,758	6,339	(11,013)	-	(11,013)
Health	7,410	10,454	1,703	-	4,747	-	4,747
Parks and recreation	6,388	479	-	850	(5,059)	-	(5,059)
Interest and fiscal charges	16,676	-	-	-	(16,676)	-	(16,676)
Total governmental activities	349,298	74,412	9,022	19,996	(245,868)	-	(245,868)
Business-type activities:							
Water	56,417	63,323	-	-	-	6,906	6,906
Sewer	58,407	70,863	-	888	-	13,344	13,344
Storm utility	6,673	9,921	-	636	-	3,884	3,884
Utilities administration	11,204	16,222	-	-	-	5,018	5,018
Property management	678	-	-	-	-	(678)	(678)
Small business development	57	-	-	-	-	(57)	(57)
Municipal tow lot	1,055	1,854	-	-	-	799	799
Erie St. Market	75	97	-	-	-	22	22
Toledo Public Power	662	688	-	-	-	26	26
Total business-type activities	135,228	162,968	-	1,524	-	29,264	29,264
Total	\$ 484,526	\$ 237,380	\$ 9,022	\$ 21,520	(245,868)	29,264	(216,604)
General revenues:							
Income taxes					171,053	-	171,053
Property taxes					9,793	-	9,793
Investment earnings					850	1,078	1,928
Intergovernmental services					24,536	-	24,536
Gain on sale of capital assets					-	48	48
Other revenue					5,640	-	5,640
Transfers					(724)	724	-
Total general revenues and transfers					211,148	1,850	212,998
Change in net position					(34,720)	31,114	(3,606)
Net position - beginning					456,221	487,816	944,037
<i>Restatement, see Note 15</i>					(218,816)	(24,546)	(243,362)
Net position - ending					\$ 202,685	\$ 494,384	\$ 697,069

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2015
(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	\$ 14,286	\$ -	\$ -	\$ -	\$ 14,286
Cash and Equivalents Held by Escrow Agent	-	4,521	-	-	4,521
Cash and Equivalents Other	10	-	-	2	12
Investments	18,420	97	-	705	19,222
Restricted Investments	4,771	23,918	-	-	28,689
Receivables (Net of Allowance)	40,209	1,625	58,676	15,673	116,183
Due From Other:					
Funds	-	-	-	26,854	26,854
Governments	1,971	2,190	225	5,115	9,501
Prepaid Expenses	17	-	-	-	17
Inventory of Supplies	1,187	1,053	4,074	842	7,156
Total Assets	\$ 80,871	\$ 33,404	\$ 62,975	\$ 49,191	\$ 226,441
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,429	\$ 719	\$ 286	\$ 1,745	\$ 7,179
Deposits	485	125	-	2,096	2,706
Retainage	-	328	-	166	494
Due To Other:					
Funds	24,246	3,580	23,998	5,688	57,512
Accrued Wages and Benefits	12,100	167	618	780	13,665
Other Current Liabilities	3,000	-	-	-	3,000
Compensated Absences Payable	284	-	-	88	372
Notes Payable	-	5,165	40,100	1,275	46,540
Total Liabilities	44,544	10,084	65,002	11,838	131,468
Deferred Inflows of Resources:					
Revenues Levied for the next year and Unavailable Revenue	26,149	660	58,566	4,341	89,716
Fund Balances:					
Nonspendable	1,204	1,053	4,074	1,726	8,057
Restricted	4,771	21,607	-	23,213	49,591
Committed	1,948	-	-	10,114	12,062
Unassigned	2,255	-	(64,667)	(2,041)	(64,453)
Total Fund Balances	10,178	22,660	(60,593)	33,012	5,257
Total Liabilities, Deferred Inflows and Fund Balances	\$ 80,871	\$ 33,404	\$ 62,975	\$ 49,191	\$ 226,441

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 December 31, 2015
 (Amounts in Thousands)

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

Total fund balances for governmental funds		\$	5,257
Capital assets used in governmental activities (excluding internal service funds' capital assets) are not financial resources and therefore are not reported in the funds			515,044
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	59,707		
Income taxes	9,082		
Delinquent property taxes	2,693		
Capital grants	2,011		
Operating grants	2,640		
Other revenue	2,258		
Reimbursements from other governments	1,545		79,936
Internal service 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, liabilities, and deferred outflows/inflows of the internal service funds are included in governmental activities in the statement of net position.			25,917
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, 2015 are as follows:			
General obligation bonds	(129,112)		
Compensated absences	(29,051)		
Loans outstanding from federal agencies	(16,154)		
Loans outstanding from state agencies	(12,997)		
Accrued interest	(764)		
Landfill closure	(13,556)		
Capital leases	(5,350)		(206,984)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows-pensions	33,608		
Deferred inflows-pensions	(643)		
Net pension liability	(249,450)		(216,485)
Total net position of governmental activities		\$	202,685

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015
(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>
REVENUES					
Income Taxes	\$ 169,045	\$ -	\$ -	\$ -	\$ 169,045
Property Taxes	9,911	-	-	-	9,911
Special Assessments	-	-	24,147	227	24,374
Licenses and Permits	2,455	-	-	4	2,459
Intergovernmental Services	18,100	5,364	-	12,489	35,953
Charges for Services	26,456	813	392	854	28,515
Investment Earnings	167	675	3	5	850
Fines and Forfeitures	5,457	-	-	1,575	7,032
Grants	-	13,657	-	18,013	31,670
Other Revenue	611	238	21	4,615	5,485
Total Revenues	<u>232,202</u>	<u>20,747</u>	<u>24,563</u>	<u>37,782</u>	<u>315,294</u>
EXPENDITURES					
Current:					
General Government	24,687	225	788	225	25,925
Public Service	1,839	-	25,585	16,442	43,866
Public Safety	166,292	-	-	4,673	170,965
Community Environment	4,824	-	-	16,246	21,070
Health	4,137	-	582	3,028	7,747
Parks and Recreation	2,486	-	322	37	2,845
Capital Outlay	-	38,760	186	1,289	40,235
Debt Service:					
Principal Retirement	570	8,161	-	12,345	21,076
Interest and Fiscal Charges	156	2,473	903	4,827	8,359
Total Expenditures	<u>204,991</u>	<u>49,619</u>	<u>28,366</u>	<u>59,112</u>	<u>342,088</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>27,211</u>	<u>(28,872)</u>	<u>(3,803)</u>	<u>(21,330)</u>	<u>(26,794)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	10,546	38,322	-	18,254	67,122
Transfers (Out)	(36,967)	(29,053)	-	(1,826)	(67,846)
Inception of Capital Lease	-	4,540	-	-	4,540
Issuance of Bonds and Loans	-	26,044	-	-	26,044
Premiums on Bonds	-	2,784	-	-	2,784
Payment to Escrow Agent	-	(10,181)	-	-	(10,181)
Proceeds from Sale of Capital Assets	-	-	-	1	1
Total Other Financing Sources (Uses)	<u>(26,421)</u>	<u>32,456</u>	<u>-</u>	<u>16,429</u>	<u>22,464</u>
Net Change in Fund Balance	790	3,584	(3,803)	(4,901)	(4,330)
Fund Balance (Deficit) at Beginning of Year	9,795	19,140	(56,908)	38,144	10,171
Increase (Decrease) for Inventory	(407)	(64)	118	(231)	(584)
Fund Balance (Deficit) at End of Year	<u>\$ 10,178</u>	<u>\$ 22,660</u>	<u>\$ (60,593)</u>	<u>\$ 33,012</u>	<u>\$ 5,257</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 to the Statement Activities
 Governmental Funds
 For the Year Ended December 31, 2015
 (Amounts in Thousands)

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

Net change in fund balances for governmental funds		\$ (4,330)
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 asset additions	13,938	
Depreciation expense	<u>(39,508)</u>	(25,570)
In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.		
		(2,859)
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	3,344	
Income taxes	2,008	
Delinquent property taxes	(118)	
Capital grants	(1,987)	
Operating grants	(665)	
Other revenue	246	
Reimbursements from other governments	<u>(2,975)</u>	(147)
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.		
		2,308
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.		
		2,243
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. This amount is the amount by which repayment of proceeds exceeds principal from issuance not reported as notes payable in the governmental funds.		
		(2,186)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore; are not reported as expenditures in governmental funds.		
Change in accrued interest	36	
Change in inventory	<u>(584)</u>	(548)
Internal service funds are used by management to charge costs to individual funds. The net revenue/ (expenses) of certain activities of internal service funds is reported with governmental activities.		
		(1,368)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		22,481
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		<u>(24,744)</u>
Changes in net position of governmental activities		<u>\$ (34,720)</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2015
(Amounts in Thousands)

	Business-Type Activities					Governmental
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Services Funds
ASSETS						
<u>Current:</u>						
Cash and Equivalents with Treasury	\$ 1,038	\$ 13,027	\$ 8,466	\$ 179	\$ 22,710	\$ -
Cash and Equivalents Held by Escrow	20,758	2,436	-	3	23,197	8,154
Cash and Equivalents Other	2	-	139	1	142	-
Investments	19,715	11,301	13,436	13,029	57,481	-
Restricted Investments	178,216	1,113	-	5,346	184,675	15
Receivables (Net of Allowance)	13,131	15,206	199	8,065	36,601	604
Due From Other:						
Funds	-	33,572	-	5,540	39,112	25,820
Prepaid Expenses	-	5	-	-	5	-
Inventory of Supplies	5,058	1,064	8	-	6,130	826
Total current assets	<u>237,918</u>	<u>77,724</u>	<u>22,248</u>	<u>32,163</u>	<u>370,053</u>	<u>35,419</u>
<u>Noncurrent:</u>						
Prepaid Bond Insurance	121	19	-	-	140	-
Land and Construction in Progress	96,068	206,323	-	10,777	313,168	1,223
Other Capital Assets, net of Accumulated Depreciation	171,706	388,682	140	33,388	593,916	21,952
Total noncurrent assets	<u>267,895</u>	<u>595,024</u>	<u>140</u>	<u>44,165</u>	<u>907,224</u>	<u>23,175</u>
Total Assets	<u>505,813</u>	<u>672,748</u>	<u>22,388</u>	<u>76,328</u>	<u>1,277,277</u>	<u>58,594</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	1,598	1,851	781	438	4,668	872
Total Deferred Outflows of Resources	<u>1,598</u>	<u>1,851</u>	<u>781</u>	<u>438</u>	<u>4,668</u>	<u>872</u>
LIABILITIES						
<u>Current:</u>						
Accounts Payable	3,625	2,343	166	351	6,485	1,275
Customer Deposits	2,439	557	1	420	3,417	317
Retainage	799	3,942	-	185	4,926	-
Due To Other:						
Funds	6,419	-	18,446	5,307	30,172	4,102
Governments	25	160	-	16	201	-
Other Current Liabilities	-	-	-	-	-	11,560
Accrued Interest Payable	1,721	4,133	-	58	5,912	-
Accrued Wages and Benefits	813	1,036	458	202	2,509	528
Current Portion of:						
Compensated Absences Payable	-	135	5	-	140	-
Bonds, Loans and Notes Payable, net	9,782	21,948	-	1,465	33,195	4,547
Total current liabilities	<u>25,623</u>	<u>34,254</u>	<u>19,076</u>	<u>8,004</u>	<u>86,957</u>	<u>22,329</u>
<u>Noncurrent:</u>						
Compensated Absences Payable	1,433	2,033	1,041	396	4,903	-
Bonds, Loans and Notes Payable, net	306,992	342,215	-	17,295	666,502	5,754
Net Pension Liabilities	9,824	11,379	4,806	2,686	28,695	5,371
Total noncurrent liabilities	<u>318,249</u>	<u>355,627</u>	<u>5,847</u>	<u>20,377</u>	<u>700,100</u>	<u>11,125</u>
Total Liabilities	<u>343,872</u>	<u>389,881</u>	<u>24,923</u>	<u>28,381</u>	<u>787,057</u>	<u>33,454</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	173	200	84	47	504	95
NET POSITION						
Net Investment in Capital Assets	129,216	234,391	140	41,135	404,882	19,925
Restricted:						
Debt Service	3,836	6,500	-	22	10,358	-
Replacement	34,288	22,013	-	5,598	61,899	-
Improvement	1,153	135	-	1,528	2,816	-
Unrestricted (deficit)	(5,127)	21,479	(1,978)	55	14,429	5,992
Total Net Position	<u>\$ 163,366</u>	<u>\$ 284,518</u>	<u>\$ (1,838)</u>	<u>\$ 48,338</u>	<u>\$ 494,384</u>	<u>\$ 25,917</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015
(Amounts in Thousands)

	Business-Type Activities					Governmental Activities
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Services Funds
OPERATING REVENUES						
Charges for Services	\$ 63,323	\$ 70,640	\$ 16,222	\$ 12,126	\$ 162,311	\$ 35,211
Other Revenue	-	223	-	434	657	154
Total Operating Revenue	<u>63,323</u>	<u>70,863</u>	<u>16,222</u>	<u>12,560</u>	<u>162,968</u>	<u>35,365</u>
OPERATING EXPENSES						
Personnel Services	14,448	17,140	7,230	3,301	42,119	7,754
Contractual Services	13,263	8,334	3,408	2,907	27,912	10,674
Materials and Supplies	8,461	2,431	503	411	11,806	5,915
Utilities	2,992	3,551	46	654	7,243	2,090
Depreciation	5,322	15,525	17	1,178	22,042	2,022
Total Operating Expenses	<u>44,486</u>	<u>46,981</u>	<u>11,204</u>	<u>8,451</u>	<u>111,122</u>	<u>28,455</u>
Operating Income (Loss)	<u>18,837</u>	<u>23,882</u>	<u>5,018</u>	<u>4,109</u>	<u>51,846</u>	<u>6,910</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Earnings	698	61	252	67	1,078	-
Interest Expense and Fiscal Charges	(11,931)	(11,426)	-	(749)	(24,106)	(8,278)
Gain (Loss) on Sale of Capital Assets	-	-	-	48	48	-
Total Non-operating Revenues (Expenses)	<u>(11,233)</u>	<u>(11,365)</u>	<u>252</u>	<u>(634)</u>	<u>(22,980)</u>	<u>(8,278)</u>
Income (Loss) Before Transfers and Contributions	<u>7,604</u>	<u>12,517</u>	<u>5,270</u>	<u>3,475</u>	<u>28,866</u>	<u>(1,368)</u>
Capital Contributions	-	888	-	636	1,524	-
Transfers in	2,004	2,249	-	2,112	6,365	-
Transfers Out	<u>(75)</u>	<u>(75)</u>	<u>(4,566)</u>	<u>(925)</u>	<u>(5,641)</u>	<u>-</u>
Change in Net Position	9,533	15,579	704	5,298	31,114	(1,368)
Net Position at January 1	162,237	278,673	1,569	45,337	487,816	31,879
Restatement, see Note 15	(8,404)	(9,734)	(4,111)	(2,297)	(24,546)	(4,594)
Net Position at December 31	<u>\$ 163,366</u>	<u>\$ 284,518</u>	<u>\$ (1,838)</u>	<u>\$ 48,338</u>	<u>\$ 494,384</u>	<u>\$ 25,917</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(Amounts in Thousands)

	Business-Type Activities					Governmental Activities
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 61,061	\$ 72,234	\$ 16,223	\$ 12,601	\$ 162,119	\$ 40,251
Cash paid to employees	(14,367)	(16,988)	(7,183)	(3,240)	(41,778)	(7,713)
Cash paid to supplies	(14,228)	(3,491)	(60,406)	(3,147)	(81,272)	(18,432)
Other receipts	-	223	-	434	657	154
Net Cash Flows From Operating Activities	<u>32,466</u>	<u>51,978</u>	<u>(51,366)</u>	<u>6,648</u>	<u>39,726</u>	<u>14,260</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	2,004	2,249	-	2,112	6,365	-
Transfers out	(75)	(75)	(4,566)	(925)	(5,641)	-
Net Cash Flows From Noncapital Financing Activities	<u>1,929</u>	<u>2,174</u>	<u>(4,566)</u>	<u>1,187</u>	<u>724</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the sale of assets	-	-	-	363	363	-
Purchases of property, plant and equipment	(31,702)	(43,241)	-	(3,221)	(78,164)	(3,629)
Principal payments	(23,143)	(18,053)	-	(2,876)	(44,072)	(5,603)
Proceeds from the issuance of bonds, loans and notes	23,185	41,259	-	1,929	66,373	11,404
Interest and fiscal charges paid on bonds, loans and notes	(12,063)	(11,365)	-	(752)	(24,180)	(8,278)
Net Cash Flows From Capital and Related Financing Activities	<u>(43,723)</u>	<u>(31,400)</u>	<u>-</u>	<u>(4,557)</u>	<u>(79,680)</u>	<u>(6,106)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	308,130	17,143	100,323	55,338	480,934	-
Purchase of investment	(278,736)	(24,664)	(47,241)	(58,494)	(409,135)	-
Investment income received on investments	536	45	370	51	1,002	-
Net Cash Flows From Investing Activities	<u>29,930</u>	<u>(7,476)</u>	<u>53,452</u>	<u>(3,105)</u>	<u>72,801</u>	<u>-</u>
Change in cash and cash equivalents	20,602	15,276	(2,480)	173	33,571	8,154
Cash and cash equivalents at January 1	1,196	187	11,085	10	12,478	-
Cash and cash equivalents at December 31	<u>21,798</u>	<u>15,463</u>	<u>8,605</u>	<u>183</u>	<u>46,049</u>	<u>8,154</u>
Reconciliation of net operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ 18,837	\$ 23,882	\$ 5,018	\$ 4,109	\$ 51,846	\$ 6,910
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	5,322	15,525	17	1,178	22,042	2,022
Change in assets, liabilities, deferred outflows and deferred inflows:						
Receivables	(2,262)	1,594	1	475	(192)	354
Due to (from) other:						
Funds	13,374	11,784	(56,515)	748	(30,609)	11,557
Prepaid expenses	-	(5)	-	-	(5)	-
Inventory of supplies	(289)	(191)	18	-	(462)	(23)
Accounts payable and other liabilities	(2,352)	(762)	48	78	(2,988)	(6,601)
Customer deposits	(245)	(1)	-	(1)	(247)	-
Accrued wages and benefits	66	32	14	10	122	41
Compensated absences	20	126	35	53	234	-
Deferred outflows - pensions	(400)	(463)	(195)	(110)	(1,168)	(217)
Net pension liability	222	257	109	61	649	122
Deferred inflows - pensions	173	200	84	47	504	95
Net cash from operating activities	<u>\$ 32,466</u>	<u>\$ 51,978</u>	<u>\$ (51,366)</u>	<u>\$ 6,648</u>	<u>\$ 39,726</u>	<u>\$ 14,260</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2015
(Amounts in Thousands)

	Agency Funds
ASSETS	
Cash and cash equivalents other	\$ 1,114
Receivables (net of allowances)	2,779
Total Assets	3,893
 LIABILITIES	
Accounts payable	100
Deposits	3,793
Total Liabilities	\$ 3,893

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(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 one component units.

Component Unit

Toledo Improvement Corporation

The Toledo Improvement Corporation is the City of Toledo's designated agency and instrumentality for industrial, commercial, distribution and research development. The Board is made up of nine members, all of which are appointed by the City. The TIC is considered a blended component unit of the City, but there is no financial activity for the 2015 fiscal year, and therefore no activity is reflected in this report.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$121 in revenues from the JEDZ in 2015.

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 \$1,293 in revenues from the JEDZ in 2015.

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 did not received revenues from this agreement in 2015.

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 \$38 in revenues from the JEDD in 2015.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

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 2015.

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 \$73 in revenues from the JEDD in 2015.

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 \$5,397 for the operation of the Commission in 2015. Financial information can be obtained from the Commission's administrative office located at 3151 County Road 2425, Stryker, OH 43557-9418.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. Interfund services provided and used are not eliminated in the process of consolidation. 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 using Lake Erie as the water supply. The Department also provides water services to several areas outside of the City. Revenue is generated by charges set at a level sufficient to cover outstanding debt requirements while providing funds for the operation and maintenance of the water operating and distribution system.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Proprietary Funds (continued):

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.

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. The City's internal service funds account for municipal garage operations, capital replacement, storeroom and printshop services, information technology services, risk management, facility operations and workers' compensation.

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 where the City is a collection agent for various licenses, fees and taxes for the State of Ohio.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Fund Financial Statements:

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 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. For the City, deferred outflows of resources are reported on the government-wide and the proprietary fund statements of net position. The deferred outflows of resources related to pensions are explained in Note 12.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Deferred Inflows of Resources

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. For the City, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments and other receivables not received within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary fund statements of net position, see Note 12.

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."

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

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.

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, 2015.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

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.

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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, prepaid 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 an asset.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Insurance Costs, Premiums, Discounts and Deferred Amount on Refunding (continued)

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.

Interfund Transactions

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

Exchange transactions between funds are reported as revenues in seller funds, and expenditures/expenses in purchaser funds. Flows of cash or goods from one fund to another without a repayment requirement 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*.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

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.
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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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 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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Deposits (continued)

At December 31, 2015, the carrying amount of the City’s deposits was \$36,996 and the bank balance was \$34,909. 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 \$35,872 being held by a third party trustee. This amount is more than the previous year due to the issuance of additional City bonds and sales of investments. The City also has petty cash funds of \$14 held by departments that are not covered by Federal Depository Insurance or collateralized.

Cash and cash equivalents held by escrow represent amounts held by third parties for debt service requirements and capital lease proceeds remaining to be spent.

At December 31, 2015, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$1,114 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, 2015, the carrying amounts in the General and Nonmajor Governmental Funds were \$10 and \$2, respectively, represent fiduciary deposits in transit. The carrying amounts in the Water, Utility Administrative Services fund was Nonmajor Enterprise Funds were \$2, \$139, and \$1, respectively, and represent utility customer payments in transit.

Investments

Investments are reported at fair value. As of December 31, 2015, the City had the following investments:

	Maturity		
	Within One	More than One Year but Less than	
	Year	Three Years	Total
Federal Farm Credit Bank	\$ 5,999	\$ 73,884	\$ 79,883
Federal Home Loan Bank	6,934	50,805	57,739
Federal Home Loan Mortgage Corp	8,924	64,531	73,455
Federal National Mortgage Association	5,018	60,570	65,588
STAR Ohio	12,784	-	12,784
STAR Plus Deposits	13	-	13
US Treasury	620	-	620
	\$ 40,292	\$ 249,790	\$ 290,082

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

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.
3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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 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, 2015:

	Fair Value	% of Total
Federal Farm Credit Bank	\$ 79,883	27.53
Federal Home Loan Bank	57,739	19.90
Federal Home Loan Mortgage Corp	73,455	25.32
Federal National Mortgage Association	65,588	22.61
STAROhio	12,784	4.41
STAR Plus Deposits	13	0.01
US Treasury	620	0.21
Total Portfolio	\$ 290,082	100.00

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2015 consist of the following:

	<u>Taxes</u>	<u>Customer and Other</u>	<u>Special Assessments</u>	<u>Notes Receivable</u>
<i>Governmental Activities:</i>				
General Fund	\$ 42,062	\$ 11,755	\$ -	\$ -
Capital Improvement	-	5,081	-	-
Special Assessment	-	110	58,566	-
Other Governmental Funds	-	13,442	1,141	30,614
Total Governmental Funds	<u>42,062</u>	<u>30,388</u>	<u>59,707</u>	<u>30,614</u>
<i>Business-Type Activities:</i>				
Water	-	17,906	-	-
Sewer	-	23,552	-	-
Utility Administrative Services	-	190	-	-
Other Business-Type Activities	-	5,801	-	22,730
Total Business-Type Activities	<u>-</u>	<u>47,449</u>	<u>-</u>	<u>22,730</u>
Internal Service	<u>-</u>	<u>950</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 42,062</u>	<u>\$ 78,787</u>	<u>\$ 59,707</u>	<u>\$ 53,344</u>
			Less:	
	<u>Interest</u>	<u>Gross</u>	<u>Allowance for</u>	<u>Receivables</u>
	<u>Receivable</u>	<u>Receivables</u>	<u>Uncollectibles</u>	<u>Net</u>
<i>Governmental Activities (continued):</i>				
General Fund	\$ 48	53,865	\$ (13,656)	\$ 40,209
Capital Improvement	-	5,081	(3,456)	1,625
Special Assessment	-	58,676	-	58,676
Other Governmental Funds	-	45,197	(29,524)	15,673
Total Governmental Funds	<u>48</u>	<u>162,819</u>	<u>(46,636)</u>	<u>116,183</u>
<i>Business-Type Activities (continued):</i>				
Water	465	18,371	(5,240)	13,131
Sewer	17	23,569	(8,363)	15,206
Utility Administrative Services	9	199	-	199
Other Business-Type Activities	46	28,577	(20,512)	8,065
Total Business-Type Activities	<u>537</u>	<u>70,716</u>	<u>(34,115)</u>	<u>36,601</u>
Internal Service	<u>-</u>	<u>950</u>	<u>(346)</u>	<u>604</u>
Total	<u>\$ 585</u>	<u>\$ 234,485</u>	<u>\$ (81,097)</u>	<u>\$ 153,388</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

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 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 funds to move from the Capital Improvements Fund to the General Fund through December 31, 2016. The required transfers to the Capital Improvements Fund for 2015 have been completed.

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 2015 public utility property taxes became a lien on December 31, 2014, were levied on October 1, 2015 and will be collected in 2016 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, 2015
(Amounts in Thousands)

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, 2015 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 2015 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, 2015 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

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

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, 2015
(Amounts in Thousands)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the Governmental Activities for the year ended December 31, 2015, was as follows:

<i>Governmental Activities:</i>	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 28,388	\$ 798	\$ (6)	\$ 29,180
Construction in Progress	<u>87,086</u>	<u>16,532</u>	<u>(15,467)</u>	<u>88,151</u>
Total Capital Assets not being Depreciated	115,474	17,330	(15,473)	117,331
<i>Capital Assets being Depreciated:</i>				
Buildings	69,046	2,474	-	71,520
Furniture & Fixtures	10,019	5	(34)	9,990
Improvements	79,852	2,769	(2,769)	79,852
Infrastructure	860,671	2,638	(189)	863,120
Machinery & Equipment	<u>172,255</u>	<u>7,828</u>	<u>(210)</u>	<u>179,873</u>
Total Capital Assets being Depreciated	1,191,843	15,714	(3,202)	1,204,355
<i>Less: Accumulated Depreciation</i>				
Buildings	33,077	1,437	-	34,514
Furniture & Fixtures	5,976	452	(7)	6,421
Improvements	27,476	3,843	(276)	31,043
Infrastructure	544,995	24,852	(55)	569,792
Machinery & Equipment	<u>130,752</u>	<u>10,946</u>	<u>(1)</u>	<u>141,697</u>
Total Accumulated Depreciation	<u>742,276</u>	<u>41,530</u>	<u>(339)</u>	<u>783,467</u>
Total Capital Assets being Depreciated, net	<u>449,567</u>	<u>(25,816)</u>	<u>(2,863)</u>	<u>420,888</u>
Governmental Activities Capital Assets, net	<u>\$ 565,041</u>	<u>\$ (8,486)</u>	<u>\$ (18,336)</u>	<u>\$ 538,219</u>

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

General Government	\$ 4,071
Public Service	22,053
Public Safety	6,951
Public Utility	3,625
Community Environment	444
Health	1,107
Parks and Recreation	<u>3,279</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 41,530</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

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, 2015, 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, 2015, was as follows:

<i>Business-Type Activities:</i>	Balance			Balance
	<u>1/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2015</u>
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 3,466	\$ -	\$ (44)	\$ 3,422
Construction in Progress	<u>243,482</u>	<u>80,095</u>	<u>(13,831)</u>	<u>309,746</u>
Total Capital Assets not being Depreciated	246,948	80,095	(13,875)	313,168
 <i>Capital Assets being Depreciated:</i>				
Buildings	51,836	-	(569)	51,267
Furniture & Fixtures	1,993	-	-	1,993
Improvements	94,149	15	(15)	94,149
Infrastructure	806,658	14,719	(152)	821,225
Machinery & Equipment	<u>122,436</u>	<u>2,846</u>	<u>(2,141)</u>	<u>123,141</u>
Total Capital Assets being Depreciated	1,077,072	17,580	(2,877)	1,091,775
 <i>Less: Accumulated Depreciation</i>				
Buildings	28,227	934	(298)	28,863
Furniture & Fixtures	1,574	90	-	1,664
Improvements	29,173	3,310	(15)	32,468
Infrastructure	331,963	11,199	(1)	343,161
Machinery & Equipment	<u>85,330</u>	<u>6,509</u>	<u>(136)</u>	<u>91,703</u>
Total Accumulated Depreciation	<u>476,267</u>	<u>22,042</u>	<u>(450)</u>	<u>497,859</u>
Total Capital Assets being Depreciated, net	<u>600,805</u>	<u>(4,462)</u>	<u>(2,427)</u>	<u>593,916</u>
Business-Type Activities Capital Assets, net	<u>\$ 847,753</u>	<u>\$ 75,633</u>	<u>\$ (16,302)</u>	<u>\$ 907,084</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 6 – CAPITAL ASSETS (continued)

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

Water	\$ 5,322
Sewer	15,525
Utility Administrative Services	17
Non-Major Enterprise	<u>1,178</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 22,042</u>

NOTE 7 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2015 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2015	Increase	Decrease	Balance 12/31/2015	Amount Due In One Year
General Obligations:								
Capital Projects	2016	1.25-1.36	\$ 16,910	\$ 3,198	\$ 16,910	\$ (14,943)	\$ 5,165	\$ 5,165
Special Assessments	2016	1.25	1,275	4,175	1,275	(4,175)	1,275	1,275
Internal Service Funds	2016	1.25	1,245	1,245	-	(1,245)	-	-
Building	2016	1.375	3,250	3,255	3,250	(3,255)	3,250	3,250
Revenue Obligations:								
Assessed Services 2013	2015	1.25	19,800	19,800	-	(19,800)	-	-
Assessed Services 2014	2016	1.41	20,900	20,900	-	-	20,900	20,900
Assessed Services 2015	2017	1.74	19,200	-	19,200	-	19,200	-
			<u>\$ 52,573</u>	<u>\$ 40,635</u>	<u>\$ 40,635</u>	<u>\$ (43,418)</u>	<u>\$ 49,790</u>	<u>\$ 30,590</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 8 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2015 and a schedule of current year activity are as follows:

Government Activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Restated Balance 1/1/2015	Increase	Decrease	Balance 12/31/2015	Amount Due In One Year
General Obligation Bonds:									
Capital Projects	Various	Various	1.5 - 6.08	\$ 198,155	\$ 123,583	\$ 28,579	\$ (23,105)	\$ 129,057	\$ 12,341
Special Assessments	Various	Various	1.55 - 5.0	115	65	-	(10)	55	10
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Capital Projects	Various	Various	0	10,289	4,321	249	(752)	3,818	633
Ohio Water Dev Authority									
Capital Projects	Various	Various	4.02 - 4.12	9,843	3,942	-	(570)	3,372	594
ODOD Chapter 166									
Capital Projects	1998	2018	4	10,000	2,880	-	(709)	2,171	738
State Infrastructure Bank									
Capital Projects	2009	2019	3	4,869	3,968	-	(332)	3,636	356
Federal Agencies:									
HUD 108									
Capital Projects	Various	Various	6.56 - 7.96	24,140	7,670	-	(1,715)	5,955	1,830
Other Loans:									
Capital Projects	Various	Various	0 - 6.55	18,201	10,971	-	(772)	10,199	807
Capital Lease Obligations:									
Fire Ambulances II	2010	2015	3.428	1,185	251	-	(251)	-	-
Police Vehicles	2013	2015	1.15	3,386	1,355	-	(1,355)	-	-
Ambulance	2012	2017	1.66	1,413	862	-	(283)	579	287
Landfill Vehicles	2012	2016	1.60	1,588	807	-	(400)	407	407
Fire Rescue Squads	2014	2018	1.75	948	752	-	(183)	569	186
Fire Engines & Bucket Truck	2015	2019	1.75	3,600	-	3,600	(745)	2,855	697
Pumper Trucks	2015	2020	1.75	940	-	940	-	940	181
Pickup Trucks & Brine Facility	2015	2019	1.85	1,833	-	1,833	(372)	1,461	355
Single & Double Axle Trucks	2015	2021	1.85	4,997	-	4,997	(731)	4,266	671
Forestry Equipment	2015	2020	1.85	1,324	-	1,324	-	1,324	272
Other Obligations:									
Landfill Closure					15,799	-	(2,243)	13,556	-
Compensated Absences					31,692	333	(2,602)	29,423	372
Net Pension Liability:									
OPERS					41,032	949	-	41,981	-
OP&F					200,099	12,741	-	212,840	-
Total Governmental Activities					\$ 450,049	\$ 55,545	\$ (37,130)	\$ 468,464	\$ 20,737

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

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 85.5 percent from the general fund, 11.4 percent from other governmental funds, and 3.1 percent from the internal service funds.

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding and Notes Payable at December 31, 2015 for the City’s Governmental Activities:

Year	General Obligation Bonds		General Obligation Notes		Revenue Obligation Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 12,351	\$ 5,208	\$ 9,690	\$ 130	\$ 20,900	\$ 657
2017	13,276	4,768	-	-	19,200	362
2018	13,054	4,257	-	-	-	-
2019	11,515	3,743	-	-	-	-
2020	10,590	3,233	-	-	-	-
2021-2025	43,329	9,907	-	-	-	-
2026-2030	23,837	2,564	-	-	-	-
2031-2035	1,160	41	-	-	-	-
Total	<u>\$ 129,112</u>	<u>\$ 33,721</u>	<u>\$ 9,690</u>	<u>\$ 130</u>	<u>\$ 40,100</u>	<u>\$ 1,019</u>

Year	State Agency Loans		Federal and Other Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,321	\$ 316	\$ 2,637	\$ 709	\$ 47,899	\$ 7,020
2017	2,304	249	2,625	635	37,405	6,014
2018	2,107	179	2,719	564	17,880	5,000
2019	1,446	128	579	477	13,540	4,348
2020	1,432	88	530	441	12,552	3,762
2021-2025	3,001	123	3,095	1,765	49,425	11,795
2026-2030	354	-	2,750	913	26,941	3,477
2031-2035	32	-	1,219	121	2,411	162
Total	<u>\$ 12,997</u>	<u>\$ 1,083</u>	<u>\$ 16,154</u>	<u>\$ 5,625</u>	<u>\$ 208,053</u>	<u>\$ 41,578</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 46 years.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

Landfill Closure and Post-closure Care Costs (continued)

The \$13,556 reported as landfill closure and post-closure care liability at December 31, 2015 represents the cumulative amount reported to date based on the use of 60.60% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$8,814 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 2015 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.

The City's Business-Type Activities Long-Term Obligations at December 31, 2015 and a schedule of current year activity are as follows:

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2015	Increase	Decrease	Balance 12/31/2015	Amount Due In One Year
General Obligation Bonds:									
Tow Lot	2006	2024	4.0 - 5.0	\$ 2,835	\$ 1,555	\$ 1,305	\$ (1,555)	\$ 1,305	\$ 155
Property Management	Various	Various	2.0 - 7.0	22,971	16,649	-	(1,039)	15,610	1,076
Revenue Obligation Bonds:									
Water System	Various	Various	1.25 - 6.20	358,359	287,273	14,263	(22,273)	279,263	8,379
Sanitary Sewer System	Various	Various	2.0 - 6.45	50,835	20,553	-	(2,902)	17,651	2,962
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Water System	Various	Various	0	2,238	1,765	-	(111)	1,654	112
Sanitary Sewer System	Various	Various	0	9,875	7,721	-	(432)	7,289	466
Storm Water System	Various	Various	0	2,372	1,209	245	(108)	1,346	114
Ohio Water Dev Authority									
Water System	2006	2028	3.25	42,602	27,694	8,922	(759)	35,857	1,291
Sanitary Sewer System	Various	Various	2.38-4.8	467,013	312,400	41,259	(14,436)	339,223	18,520
Storm Water System	2015			379	-	379	-	379	-
ODOD Chapter 166									
Property Management	2000	2016	4	1,500	294	-	(174)	120	120
Capital Lease Obligations:									
Sewer Cleaners II	2011	2015	4.99	1,361	283	-	(283)	-	-
Other Obligations:									
Compensated Absences					4,809	442	(208)	5,043	140
Net Pension Liabilities:									
OPERS					28,046	649	-	28,695	-
Total Business-Type Activities					<u>\$710,251</u>	<u>\$ 67,464</u>	<u>\$(44,280)</u>	<u>\$ 733,435</u>	<u>\$ 33,335</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

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, 2015 for the City’s Business-Type Activities:

Year	General Obligation Bonds		Revenue Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 1,231	\$ 696	\$ 11,341	\$ 13,750
2017	1,301	660	10,796	13,443
2018	1,366	614	9,154	12,827
2019	1,426	563	9,332	12,496
2020	1,526	508	9,692	12,122
2021-2025	7,420	1,677	57,416	54,082
2026-2030	2,645	269	70,263	39,426
2031-2035	-	-	74,917	23,270
2036-2040	-	-	44,003	5,201
Total	\$ 16,915	\$ 4,987	\$ 296,914	\$ 186,617

Year	State Agency Loans		Total	
	Principal	Interest	Principal	Interest
2016	\$ 20,623	\$ 12,504	\$ 33,195	\$ 26,950
2017	22,953	11,686	35,050	25,789
2018	24,242	10,877	34,762	24,318
2019	24,845	10,144	35,603	23,203
2020	25,428	9,390	36,646	22,020
2021-2025	127,549	35,705	192,385	91,464
2026-2030	89,746	18,529	162,654	58,224
2031-2035	50,021	8,289	124,938	31,559
2036-2040	461	43	44,464	5,244
Total	\$ 385,868	\$ 117,167	\$ 699,697	\$ 308,771

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 2015:

In 2015, the City issued \$26,575 of General Obligation Bonds for the purpose of funding certain permanent improvements and refunding existing obligations with a lower net interest cost. The current and advance refunding portions reduced the City’s total debt service payments by \$730 to obtain an economic gain (difference between the present values of the debt service payments on the old and new bonds) of \$719.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

New Issues and Advanced Refunding (continued)

In 2015, the City issued \$1,275 of General Obligation Notes for funding the construction of certain sidewalk improvements and the acquisition of certain motor vehicles and equipment.

In 2015, the City issued \$1,750 of Taxable Industrial Development Notes for the purpose of property acquisitions.

In 2015, the City renewed \$4,450 of Taxable Industrial Development Notes for the purpose of property acquisitions.

In 2015, the City issued \$10,710 of Street and Bridge Improvement Notes for the purpose of improving City streets and bridges.

In 2015, the City issued \$19,200 in Special Assessment Notes for City Services. These notes mature on June 1 and December 1 of 2017.

In 2015, the City renewed \$3,250 of Building Acquisition Notes to mature in September of 2016.

In 2015, the City issued \$12,305 of Water Revenue Refunding Bonds for the purpose of refunding existing obligations with a lower net interest cost. The advanced refunding, called on November 15, 2015, reduced the City's total debt service payments by \$2,097 to obtain an economic gain (difference between the present values of the debt service payments on the old and new bonds) of \$1,749.

Defeasance of Debt

The City defeased general obligation bonds by placing the proceeds of the new bonds in irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2015, \$8,280 of defeased bonds remain outstanding.

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 \$4,057 as of December 31, 2015, with \$3,636 reported with the State Infrastructure Bank loan balance and \$421 reported with the Other Loans balance.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

Ohio Public Works Commission

Ohio Public Works Commission (OWPC) 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, 2015 was \$378,831. Of this amount, \$35,857 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. \$339,223 is obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. \$379 is obligations incurred to help finance storm water system and are to be repaid from charges from storm water services. The remaining amount of \$3,372 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.

NOTE 9 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a non-cancelable long-term lease with the Ohio Department of Administrative Services 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 \$1,508 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 2015.

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 \$651.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Capital Leases (continued)

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 \$447.

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 \$335.

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 \$1,693.

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 \$160.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of six fire pumper apparatus and one aerial bucket fire apparatus. 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 statement at \$3,600.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of two fire pumper apparatus. 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 statement at \$940.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of twenty-one trucks. The 5 year lease is classified as a capital lease with work on the vehicles still in process as of year-end.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of eight trucks and a brine facility. The 5 year lease is classified as a capital with work on the vehicles still in process as of year-end.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of forestry equipment. The 5 year lease is classified as a capital lease with work on the vehicles still in process as of year-end.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Capital Leases (continued)

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2015 are as follows:

	Year Ending	Governmental Activities
2016		\$ 3,280
2017		2,867
2018		2,570
2019		2,373
2020		1,245
2021-2025		<u>770</u>
Total Minimum Lease Payments		13,105
Less: Amount Representing Interest		<u>(704)</u>
Present Value of net Minimum Lease Payments		<u><u>\$ 12,401</u></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 provided by bonds issued by the Port Authority in the approximate amount of \$5,349. 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.

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 2015 requires an assessment of \$475.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments (continued)

Outstanding encumbrances for the Year Ended December 31, 2015 were as follows:

<i>Governmental Activities:</i>	
General	\$ 1,605
Capital Improvements	18,978
Special Assessments	795
Nonmajor Governmental	4,576
Total Governmental Activities	<u>25,954</u>
<i>Business-Type Activities:</i>	
Water	53,782
Sewer	62,596
Utility Administrative Services	333
Nonmajor Enterprise	620
Internal Service Funds	4,292
Total Business-Type Activities	<u>121,623</u>
Total	<u><u>\$ 147,577</u></u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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, 2015 the Interfund Balances consist of the following individual Interfund receivables and payables as reported on the Fund Statements:

	Due From Other Funds	Due To Other Funds
<i>Governmental Activities:</i>		
General	\$ -	\$ 24,246
Capital Improvements	-	3,580
Special Assessments Services	-	23,998
Nonmajor Governmental Funds	26,854	5,688
Internal Service Funds	25,820	4,102
Total Governmental Activities	52,674	61,614
 <i>Business-Type Activities:</i>		
Water	-	6,419
Sewer	33,572	-
Utility Administrative Services	-	18,446
Nonmajor Enterprise Funds	5,540	5,307
Total Business-Type Activities	39,112	30,172
	\$ 91,786	\$ 91,786

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 10 - INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2015, consisted of the following, as reported on the Fund Statements:

Transfers Out	Transfers In						Total
	General Fund	Capital Improvements	Nonmajor Governmental Funds	Water	Sewer	Nonmajor Enterprise Funds	
Governmental Activities:							
General	\$ -	\$ 36,967	\$ -	\$ -	\$ -	\$ -	\$ 36,967
Capital Improvements	9,500	-	17,754	-	-	1,799	29,053
Nonmajor Governmental Funds	246	1,355	225	-	-	-	1,826
Total Governmental Activities	<u>9,746</u>	<u>38,322</u>	<u>17,979</u>	<u>-</u>	<u>-</u>	<u>1,799</u>	<u>67,846</u>
Business-Type Activities:							
Water	-	-	75	-	-	-	75
Sewer	-	-	75	-	-	-	75
Utility Administrative Services	-	-	-	2,004	2,249	313	4,566
Nonmajor Enterprise Funds	800	-	125	-	-	-	925
Total Business-Type Activities	<u>800</u>	<u>-</u>	<u>275</u>	<u>2,004</u>	<u>2,249</u>	<u>313</u>	<u>5,641</u>
Total Fund Balances	<u>\$ 10,546</u>	<u>\$ 38,322</u>	<u>\$ 18,254</u>	<u>\$ 2,004</u>	<u>\$ 2,249</u>	<u>\$ 2,112</u>	<u>\$ 73,487</u>

In 2015, the General Fund transferred \$36,967 into the Capital Improvement Fund. This amount is a percentage of the income tax collections in 2015 that is authorized by Toledo City Council and the Mayor for transfer.

In 2015, the Capital Improvement Fund transferred \$9,500 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 2015, the Capital Improvement Fund transferred \$19,553 to various Nonmajor Governmental and Enterprise Funds for the purpose of debt management.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 11 – FUND BALANCE

A summary of Fund Balances as of December 31, 2015 by category with specific purpose information follows:

	General Fund	Capital Improvements	Special Assessment Services	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid Expenses	\$ 17	\$ -	\$ -	\$ -	\$ 17
Inventory	1,187	1,053	4,074	842	7,156
Cemetery Perpetual Care	-	-	-	884	884
	<u>1,204</u>	<u>1,053</u>	<u>4,074</u>	<u>1,726</u>	<u>8,057</u>
Restricted for:					
Landfill Activities	4,771	-	-	-	4,771
Capital Improvements	-	21,607	-	-	21,607
Grant Programs	-	-	-	13,657	13,657
Street Projects	-	-	-	3,528	3,528
Various Trust Purposes	-	-	-	5,832	5,832
Right Of Way Activities	-	-	-	11	11
Debt Service	-	-	-	185	185
	<u>4,771</u>	<u>21,607</u>	<u>-</u>	<u>23,213</u>	<u>49,591</u>
Committed to:					
Budget Stabilization	1,948	-	-	-	1,948
Cemetery Activities	-	-	-	421	421
Facilities Maintenance	-	-	-	772	772
Various Trust Purposes	-	-	-	66	66
Parks and Recreation	-	-	-	99	99
Debt Service	-	-	-	8,756	8,756
	<u>1,948</u>	<u>-</u>	<u>-</u>	<u>10,114</u>	<u>12,062</u>
Unassigned	<u>2,255</u>	<u>-</u>	<u>(64,667)</u>	<u>(2,041)</u>	<u>(64,453)</u>
Total Fund Balances	<u>\$ 10,178</u>	<u>\$ 22,660</u>	<u>\$ (60,593)</u>	<u>\$ 33,012</u>	<u>\$ 5,257</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 2015, 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. Withdrawals are permitted when income tax revenues for any calendar year will represent an annual growth rate which is 1.5% or more below the average annual growth rate over an economic cycle. In 2015, the General Fund designated an additional \$395 to the balance of the Designation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 12 – PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

Ohio Public Employees Retirement System (OPERS)

Plan Description—City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS’ Traditional Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 12 – PENSION PLANS (continued)

Ohio Public Employees Retirement System (OPERS) (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of Service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by year of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 12 – PENSION PLANS (continued)

Ohio Public Employees Retirement System (OPERS) (continued)

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2015, member contribution rates were 10% of salary and employer contribution rates were 14%. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 2.0% during calendar year 2015 (see Note 13). Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$7,727 for 2015. Of this amount, \$2,115 is reported as due to other governments.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description—City full-time police and firefighters participate in the Ohio Police & Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. 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 Ohio Revised Code (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, OH 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living adjustment (COLA). The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 12 – PENSION PLANS (continued)

Ohio Police & Fire Pension Fund (OP&F) (continued)

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

	Police		Firefighters	
2015 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%
2015 Actual Contribution Rates				
Employer::				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	19.50	%	24.00	%
Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$18,478 for 2015. Of this amount, \$2,306 is reported as due to other governments.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 12 – PENSION PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>OPERS</u>		<u>OP&F</u>		<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 70,676	\$	212,840	\$	283,516
Proportion of Net Pension Liability	0.585985%		4.1085439%		
Pension Expense	\$ 7,688	\$	20,762	\$	28,450

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>		<u>OP&F</u>		<u>Total</u>
<u>Deferred Outflows of Resources</u>					
Net differences between projected and actual investment earnings	\$ 3,771	\$	9,172	\$	12,943
City contributions subsequent to the measurement date	<u>7,727</u>		<u>18,478</u>		<u>26,205</u>
	<u>\$ 11,498</u>	\$	<u>27,650</u>	\$	<u>39,148</u>
<u>Deferred Inflows of Resources</u>					
Differences between expected and actual experience	<u>\$ 1,242</u>	\$	<u>-</u>	\$	<u>1,242</u>

\$26,205 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>		<u>OP&F</u>		<u>Total</u>
Year Ending December 31:					
2016	\$ 370	\$	2,293	\$	2,663
2017	370		2,293		2,663
2018	847		2,293		3,140
2019	<u>942</u>		<u>2,293</u>		<u>3,235</u>
	<u>\$ 2,529</u>	\$	<u>9,172</u>	\$	<u>11,701</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 12 – PENSION PLANS (continued)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75%
Future salary increases, including inflation	4.25% to 10.05%, including wage inflation
COLA or Ad Hoc COLA	3%, simple
Investment rate of return	8%
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined health female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95% for 2014.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
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NOTE 12 – PENSION PLANS (continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	<u>18.00%</u>	<u>4.59%</u>
Total	<u>100.00%</u>	<u>5.28%</u>

Discount Rate. The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7%) and one-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 130,025	\$ 70,676	\$ 20,691

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 12 – PENSION PLANS (continued)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% to 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00%

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determine using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2014 are summarized below:

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 12 – PENSION PLANS (continued)

Actuarial Assumptions – OP&F (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	-%	(0.25)%
Domestic equity	16.00%	4.47%
Non-US equity	16.00%	4.47%
Core fixed income*	20.00%	1.62%
Global inflation protected*	20.00%	1.33%
High yield	15.00%	3.39%
Real estate	12.00%	3.93%
Private markets	8.00%	6.98%
Timber	5.00%	4.92%
Master limited partnerships	<u>8.00%</u>	7.03%
Total	<u>120.00%</u>	

* levered 2x

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.25%) or one-percentage point higher (9.25%) than the current rate.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 12 – PENSION PLANS (continued)

	1% Decrease (7.25%)	Current Discount Rate of 8.25%	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 294,390	\$ 212,840	\$ 143,792

Deferred Compensation Plans

City employees may elect to participate in deferred compensation plans, which defers earned income until future years pursuant to IRS guidelines. Deferred compensation is generally not available without penalty until termination, retirement, death or a qualified unforeseeable circumstance. Under the Ohio Deferred Compensation Plan and the Ohio Association of Professional Firefighters Deferred Compensation Plans, plan assets are held in a trust for the exclusive benefit of the participants and their beneficiaries by the plan administrators. These plans were created in accordance with Internal Revenue Code Section 457, and participation is on a voluntary payroll deduction basis. The City does not make contributions on an employee's behalf.

The City also offers a voluntary pre-tax savings contribution retirement plan commonly referred to as a 401(k), and a post-tax savings contribution retirement plan commonly referred to as a Roth 401(k). The availability of this type of plan to governments is unique, as it was grandfathered due to its effective establishment date of December 1, 1985. Under the 401(k) plan, an employee retirement savings contributions are deducted from the employee's paycheck on a pre-tax basis. Annual contributions to the pre-tax 401(k) plan are limited to a maximum pre-tax annual contribution established by the Internal Revenue Service. Annual contributions to the Roth 401(k) are made on a post-tax basis and are also limited to a maximum post-tax annual contribution established by the IRS. The City does not make contributions on an employee's behalf.

NOTE 13 – POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Public Employees Retirement System (continued)

OPERS maintains two cost-sharing multiple employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit 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. Please see the Plan Statement in the OPERS 2014 CAFR.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members' contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. 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 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board 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 employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Public Employees Retirement System (continued)

Actual employer contributions for 2015, 2014 and 2013 which were used to fund post-employment benefits were approximately \$1,376, \$1,536 and \$729, respectively.

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 to 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 statutory survivor benefit 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, Ohio 43215-5164 or 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 to 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 contribution 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 an 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 to the OP&F Board of Trustees.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Police and Fire Pension Fund (continued)

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) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll throughout 2015. 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 provisions of Sections 115 and 401(h).

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 depending on the number of covered dependents and the coverage selected. The City's actual contributions for 2015, 2014 and 2013 that were used to fund post-employment benefits were approximately \$444, \$404 and \$5,863, respectively.

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. Although \$3,000 current liability exists in the general fund, claims activity is generally accounted for within the Risk Management Fund, which derives revenue on a pro-rata basis from other City funds to cover liability losses. Settled claims have not materially exceeded coverage in any of the last three years, and the City added coverage through new policies in 2015, without significant reduction in coverage from the prior year policies. In addition, the City has the ability to issue general obligation bonds to pay final judgments that may arise.

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2015, the City contracted with various insurance companies to provide the following coverage:

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 14 – RISK MANAGEMENT (continued)

Property and Liability (continued)

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

Changes in the claim liability amount in 2013, 2014 and 2015 for funds other than workers' compensation were:

<u>Year</u>	<u>Beginning of Year</u>	<u>in Estimate</u>	<u>Payments</u>	<u>End of Year</u>
2013	1,560	1,306	1,306	1,560
2014	1,560	2,120	2,120	1,560
2015	1,560	5,004	2,004	4,560

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 14 – RISK MANAGEMENT (continued)

The City has elected to take advantage of the workers' compensation plan offered by the State of Ohio. This plan, called Merit Rating, allows the City to take advantage of Destination Excellence program rebates. Destination Excellence programs enable the City receive a percentage of premiums paid based on fulfilling the requirements of each program.

In contrast to the program utilized in prior years, Merit Rating has no dollar for dollar liability. Claim costs are paid by the Ohio Bureau of Workers' Compensation (BWC) and those costs are used to calculate an annual insurance premium established by BWC.

The City also retains liability for its Individual Retrospective Rating Plan from January 2006 through December 2014. In the Retrospective Rating plan, the City agreed to assume a portion of the risk in return for a reduction in premium. The greater the percentage of risk the City assumed, the greater the reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its total obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its total 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 BWC. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles up for the reserve (if any) on 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 \$10,000 reported at December 31, 2015 was determined after review of the City's actuarial report provided by a third party actuary. This estimate complies with 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 adjusted in 2015 to reflect a substantial reduction in claim liability, primarily as a result of the sub-contracting of the City's refuse workers beginning in 2011, additional safety training, better claims management, and the implantation of changes related to worker safety based upon training provided by the Safety Council of Northwest Ohio.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 14 – RISK MANAGEMENT (continued)

Changes in the funds' claim liability amount in 2013, 2014 and 2015 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2013	17,930	4,289	6,021	16,198
2014	16,198	5,059	5,059	16,198
2015	16,198	(1,068)	5,130	10,000

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 2013, 2014 and 2015 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2013	2,652	17,305	17,197	2,760
2014	2,760	19,717	19,746	2,789
2015	2,789	22,902	20,937	3,754

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2015:

<i>Governmental Funds:</i>	
Special Assessment Services Fund	\$ 60,593
Non-Major Governmental Fund:	
Special Assessment Improvements Fund	1,853
 <i>Proprietary Funds:</i>	
Utility Administrative Services Fund	1,838
Non-Major Enterprise Fund:	
Property Management Fund	10,145
 <i>Internal Service Funds:</i>	
Facilities Operations Fund	882

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

Change in Accounting Principles

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Internal Service Fnds
Net Position at December 31, 2014	\$ 162,237	\$ 278,673	\$ 1,569	\$ 45,337	\$ 31,879
Adjustments:					
Net Pension Liability	(9,602)	(11,122)	(4,697)	(2,625)	(5,249)
Deferred Outflows - Payments					
Subsequent to Measurement Date	1,198	1,388	586	328	655
Restated Net Position at December 31, 2014	\$ 153,833	\$ 268,939	\$ (2,542)	\$ 43,040	\$ 27,285

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE (continued)

Change in Accounting Principles (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position at December 31, 2014	\$ 456,221	\$ 487,816
Adjustments:		
Net Pension Liability	(241,131)	(28,046)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>22,315</u>	<u>3,500</u>
Restated Net Position at December 31, 2014	<u>\$ 237,405</u>	<u>\$ 463,270</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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 for which it reserves resources. Those proceedings are unrelated to any outstanding City debt or the security therefore. The ultimate disposition of those proceedings is not now determinable, but based on the aforementioned 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.

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, 2015 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2016. 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Amounts in Thousands)

NOTE 16 – CONTINGENCIES (continued)

Grants

In 2015, 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

On January 5, 2016, the City Council passed an agreement to accept loan proceeds not to exceed \$.87 million from the Ohio Water Development Authority for the repair of sewer failure at the Laskey and Talmadge Road intersection.

On January 5, 2016, the City Council passed an agreement to accept loan proceeds of \$1.38 million from the Ohio Environmental Protection Agency Water Pollution Control Loan Fund for the Arlington/ Heatherdowns SSO Elimination Project.

In February 2016, the City Council passed legislation for the issuance and sale of notes in the aggregate principal amount of \$12.1 million in the anticipation of the issuance of bonds to provide funds to pay costs of improving the City's street and bridge systems.

On February 17, 2016, the City Council passed an agreement to accept loan proceeds from the Ohio Environmental Protection Agency and the Ohio Public Works Commission in the amount of \$27.9 million for the International Park Storage Basin

On March 1, 2016, the City Council passed an agreement to accept grant and loan proceeds of \$2.4 million from the Ohio Public Works Commission for five roadway projects and one bridge project.

In April and May of 2016, 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 42nd year CDBG grant (\$6.8 million), the 30th year ESG grant (\$.6 million) and the 24th year HOME grant (\$1.6 million).

The Lucas County Common Pleas Court recently ruled in favor of the City in litigation surrounding a dispute with Lucas County over incarceration costs related to the City's charges and contributions to the Corrections Center of Northwest Ohio. Although this is a positive development, it remains unclear what the financial impact will be for the City, not only for past services, but also for incarceration services moving forward. The Mayor has publicly indicated that negotiation is necessary and practical in this ongoing dispute.

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, 2015
(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				
Income taxes	\$ 169,566	\$ 169,566	\$ 169,045	\$ (521)
Property taxes	11,000	11,000	9,911	(1,089)
Licenses and permits	2,581	2,581	2,455	(126)
Intergovernmental services	14,860	14,860	18,100	3,240
Charges for services	26,676	26,676	26,456	(220)
Investment earnings	261	261	167	(94)
Fines and forfeitures	6,533	6,533	5,457	(1,076)
Other revenue	1,058	1,388	611	(777)
Total revenues	<u>232,535</u>	<u>232,865</u>	<u>232,202</u>	<u>(663)</u>
EXPENDITURES				
Current:				
General government	25,804	25,629	24,687	942
Public service	2,009	1,989	1,839	150
Public safety	167,137	167,606	166,292	1,314
Community environment	5,024	4,977	4,824	153
Health	4,933	4,919	4,137	782
Parks and recreation	2,468	2,785	2,486	299
Debt service:				
Principal retirement	570	570	570	-
Interest and fiscal charges	156	156	156	-
Total expenditures	<u>208,101</u>	<u>208,631</u>	<u>204,991</u>	<u>3,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,434</u>	<u>24,234</u>	<u>27,211</u>	<u>2,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,746	12,746	10,546	(2,200)
Transfers out	(37,178)	(36,978)	(36,967)	11
Total other financing sources (uses)	<u>(24,432)</u>	<u>(24,232)</u>	<u>(26,421)</u>	<u>(2,189)</u>
Net change in fund balance	<u>\$ 2</u>	<u>\$ 2</u>	790	<u>\$ 788</u>
Fund balance at beginning of year			9,795	
Increase (decrease) for inventory			(407)	
Fund balance at year end			<u>\$ 10,178</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessments Services
For the Year Ended December 31, 2015
(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	\$ 26,277	\$ 26,277	\$ 24,147	\$ (2,130)
Charges for services	754	754	392	(362)
Investment earnings	10	10	3	(7)
Other revenue	31	31	21	(10)
Total revenues	<u>27,072</u>	<u>27,072</u>	<u>24,563</u>	<u>(2,509)</u>
EXPENDITURES				
Current:				
General government	976	976	788	188
Public service	28,505	29,482	25,585	3,897
Health	860	860	582	278
Parks and recreation	346	346	322	24
Capital outlay	143	321	186	135
Debt service:				
Principal retirement	19,800	19,800	-	19,800
Interest and fiscal charges	198	198	903	(705)
Total expenditures	<u>50,828</u>	<u>51,983</u>	<u>28,366</u>	<u>23,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,756)</u>	<u>(24,911)</u>	<u>(3,803)</u>	<u>21,108</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	18,000	18,000	-	(18,000)
Total other financing sources (uses)	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Net change in fund balance	<u>\$ (5,756)</u>	<u>\$ (6,911)</u>	<u>(3,803)</u>	<u>\$ 3,108</u>
Fund balance (deficit) at beginning of year			(56,908)	
Increase (decrease) for inventory			118	
Fund balance (deficit) at year end			<u>\$ (60,593)</u>	

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2015

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
December 31, 2015

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.

City of Toledo, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Two Measurement Years (1)
(Amounts in Thousands)

Ohio Public Employees Retirement System - Traditional Pension Plan

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.585985%	0.585985%
City's Proportionate Share of the Net Pension Liability	\$ 70,676	\$ 69,078
City's Covered-Employee Payroll	\$ 71,842	\$ 62,938
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	109.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

Ohio Police and Fire Pension Fund

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	4.1085439%	4.1085439%
City's Proportionate Share of the Net Pension Liability	\$ 212,840	\$ 200,099
City's Covered-Employee Payroll	\$ 84,450	\$ 81,411
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.03%	245.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) - Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Toledo, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Pension Plan
Last Three Years (1)
(Amounts in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 7,727	\$ 8,621	\$ 8,182
Contributions in Relation to the Contractually Required Contribution	<u>(7,727)</u>	<u>(8,621)</u>	<u>(8,182)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 64,392	\$ 71,842	\$ 62,938
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) - Information prior to 2013 is not available.

City of Toledo, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Three Years (1)
(Amounts in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 18,478	\$ 17,194	\$ 13,905
Contributions in Relation to the Contractually Required Contribution	<u>(18,478)</u>	<u>(17,194)</u>	<u>(13,905)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 91,976	\$ 84,450	\$ 81,411
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.36%	17.08%

(1) - Information prior to 2013 is not available.

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SUPPLEMENTARY INFORMATION

City of Toledo, Ohio

Other Governmental Funds

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015
(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	66	-	-	639	705
Receivables (Net of Allowance)	14,532	99	1,042	-	15,673
Due From Other:					
Funds	17,560	8,941	-	353	26,854
Governments	5,115	-	-	-	5,115
Inventory of Supplies	842	-	-	-	842
Total Assets	38,117	9,040	1,042	992	49,191
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,745	-	-	-	1,745
Deposits	1,800	-	-	296	2,096
Retainage	152	-	14	-	166
Due To Other:					
Funds	5,125	-	563	-	5,688
Accrued Wages and Benefits	779	-	1	-	780
Compensated Absences Payable	88	-	-	-	88
Notes Payable	-	-	1,275	-	1,275
Total Liabilities	9,689	-	1,853	296	11,838
Deferred Inflows of Resources:					
Revenues Levied for the next year and Unavailable Revenue	3,200	99	1,042	-	4,341
Fund Balances:					
Nonspendable	842	-	-	884	1,726
Restricted	23,028	185	-	-	23,213
Committed	1,358	8,756	-	-	10,114
Unassigned	-	-	(1,853)	(188)	(2,041)
Total Fund Balances	25,228	8,941	(1,853)	696	33,012
Total Liabilities, Deferred Inflows and Fund Balances	\$ 38,117	\$ 9,040	\$ 1,042	\$ 992	\$ 49,191

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015
(Amounts in Thousands)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Funds</u>
REVENUES					
Special Assessments	\$ -	\$ 24	\$ 203	\$ -	\$ 227
Licenses and Permits	4	-	-	-	4
Intergovernmental Services	12,489	-	-	-	12,489
Charges for Services	852	-	-	2	854
Investment Earnings	5	-	-	-	5
Fines and Forfeitures	1,575	-	-	-	1,575
Grants	18,013	-	-	-	18,013
Other Revenue	4,615	-	-	-	4,615
Total Revenues	<u>37,553</u>	<u>24</u>	<u>203</u>	<u>2</u>	<u>37,782</u>
EXPENDITURES					
Current:					
General Government	225	-	-	-	225
Public Service	16,442	-	-	-	16,442
Public Safety	4,673	-	-	-	4,673
Community Environment	16,246	-	-	-	16,246
Health	3,028	-	-	-	3,028
Parks and Recreation	37	-	-	-	37
Capital Outlay	1,171	-	118	-	1,289
Debt Service:					
Principal Retirement	-	12,345	-	-	12,345
Interest and Fiscal Charges	-	4,773	54	-	4,827
Total Expenditures	<u>41,822</u>	<u>17,118</u>	<u>172</u>	<u>-</u>	<u>59,112</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(4,269)	(17,094)	31	2	(21,330)
OTHER FINANCING SOURCES (USES)					
Transfers In	500	17,754	-	-	18,254
Transfers (Out)	(1,826)	-	-	-	(1,826)
Proceeds from Sale of Capital Assets	1	-	-	-	1
Total Other Financing Sources (Uses)	<u>(1,325)</u>	<u>17,754</u>	<u>-</u>	<u>-</u>	<u>16,429</u>
Net Change in Fund Balance	<u>(5,594)</u>	<u>660</u>	<u>31</u>	<u>2</u>	<u>(4,901)</u>
Fund Balance (Deficit) at Beginning of Year	31,053	8,281	(1,884)	694	38,144
Increase (Decrease) for Inventory	(231)	-	-	-	(231)
Fund Balance (Deficit) at Year End	<u>\$ 25,228</u>	<u>\$ 8,941</u>	<u>\$ (1,853)</u>	<u>\$ 696</u>	<u>\$ 33,012</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.

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City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2015
(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	-	-	-	-	-	-	-
Receivables (Net of Allowance)	6,540	2,971	-	93	-	-	16
Due From Other:							
Funds	-	8,621	688	3,399	20	409	299
Governments	918	463	-	3,641	-	-	-
Inventory of Supplies	-	-	-	841	-	-	-
Total Assets	7,459	12,055	688	7,974	20	409	315
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	695	219	-	521	1	-	-
Deposits	520	141	-	-	-	-	-
Retainage	-	-	-	152	-	-	-
Due To Other:							
Funds	4,516	-	-	-	-	-	-
Accrued Wages and Benefits	230	106	-	388	-	-	-
Compensated Absences Payable	55	33	-	-	-	-	-
Total Liabilities	6,016	499	-	1,061	1	-	-
Deferred Inflows of Resources:							
Revenues Levied for the next year and Unavailable Revenue	223	433	-	2,544	-	-	-
Fund Balances:							
Nonspendable	-	-	-	841	-	-	-
Restricted	1,220	11,123	688	3,528	-	-	-
Committed	-	-	-	-	19	409	315
Total Fund Balances	1,220	11,123	688	4,369	19	409	315
Total Liabilities, Deferred Inflows and Fund Balances	\$ 7,459	\$ 12,055	\$ 688	\$ 7,974	\$ 20	\$ 409	\$ 315

(Continued)

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2015
(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
ASSETS							
Cash and Equivalents:							
Cash and Equivalents Other	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 2
Investments	-	-	66	-	-	-	66
Receivables (Net of Allowance)	-	5	3,672	-	1,235	-	14,532
Due From Other:							
Funds	1,042	49	2,923	99	-	11	17,560
Governments	-	-	-	-	93	-	5,115
Inventory of Supplies	-	-	1	-	-	-	842
Total Assets	1,042	55	6,662	99	1,328	11	38,117
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	5	219	-	85	-	1,745
Deposits	640	-	499	-	-	-	1,800
Retainage	-	-	-	-	-	-	152
Due To Other:							
Funds	-	-	-	-	609	-	5,125
Accrued Wages and Benefits	-	2	45	-	8	-	779
Compensated Absences Payable	-	-	-	-	-	-	88
Total Liabilities	640	7	763	-	702	-	9,689
Deferred Inflows of Resources:							
Revenues Levied for the next year and Unavailable Revenue	-	-	-	-	-	-	3,200
Fund Balances:							
Nonspendable	-	-	1	-	-	-	842
Restricted	-	-	5,832	-	626	11	23,028
Committed	402	48	66	99	-	-	1,358
Total Fund Balances	402	48	5,899	99	626	11	25,228
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,042	\$ 55	\$ 6,662	\$ 99	\$ 1,328	\$ 11	\$ 38,117

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, 2015
(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	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	12,489	-	-	-
Charges for Services	-	-	-	1	4	250	9
Investment Earnings	-	-	-	-	3	-	-
Fines and Forfeitures	-	-	-	2	-	-	-
Grants	8,326	6,573	-	-	-	-	-
Other Revenue	352	461	-	15	-	-	23
Total Revenues	8,678	7,034	-	12,511	7	250	32
EXPENDITURES							
Current:							
General Government	52	30	-	141	-	-	-
Public Service	-	-	-	16,442	-	-	-
Public Safety	-	2,938	-	63	-	-	-
Community Environment	8,000	1,870	-	10	-	40	-
Health	-	2,338	-	-	22	-	-
Parks and Recreation	-	-	-	-	-	-	-
Capital Outlay	-	73	-	762	-	-	-
Total Expenditures	8,052	7,249	-	17,418	22	40	-
Excess (Deficiency) of Revenues over (under) Expenditures	626	(215)	-	(4,907)	(15)	210	32
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	275	-	-	-
Transfers (Out)	(15)	-	-	(1,340)	-	(246)	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(15)	-	-	(1,065)	-	(246)	-
Net Change in Fund Balance	611	(215)	-	(5,972)	(15)	(36)	32
Fund Balance (Deficit) at Beginning of Year	609	11,338	688	10,573	34	445	283
Increase (Decrease) for Inventory	-	-	-	(232)	-	-	-
Fund Balance (Deficit) at Year End	\$ 1,220	\$ 11,123	\$ 688	\$ 4,369	\$ 19	\$ 409	\$ 315

(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, 2015
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Intergovernmental Services	-	-	-	-	-	-	12,489
Charges for Services	21	26	541	-	-	-	852
Investment Earnings	-	-	2	-	-	-	5
Fines and Forfeitures	-	-	1,573	-	-	-	1,575
Grants	-	-	70	-	3,044	-	18,013
Other Revenue	-	-	3,680	-	79	5	4,615
Total Revenues	21	26	5,866	-	3,123	5	37,553
EXPENDITURES							
Current:							
General Government	-	-	2	-	-	-	225
Public Service	-	-	-	-	-	-	16,442
Public Safety	-	-	1,672	-	-	-	4,673
Community Environment	-	-	3,503	-	2,823	-	16,246
Health	-	-	668	-	-	-	3,028
Parks and Recreation	-	11	26	-	-	-	37
Capital Outlay	-	-	336	-	-	-	1,171
Total Expenditures	-	11	6,207	-	2,823	-	41,822
Excess (Deficiency) of Revenues over (under) Expenditures	21	15	(341)	-	300	5	(4,269)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	225	500
Transfers (Out)	-	-	-	-	-	(225)	(1,826)
Proceeds from Sale of Capital Assets	-	-	1	-	-	-	1
Total Other Financing Sources (Uses)	-	-	1	-	-	-	(1,325)
Net Change in Fund Balance	21	15	(340)	-	300	5	(5,594)
Fund Balance (Deficit) at Beginning of Year	381	33	6,238	99	326	6	31,053
Increase (Decrease) for Inventory	-	-	1	-	-	-	(231)
Fund Balance (Deficit) at Year End	\$ 402	\$ 48	\$ 5,899	\$ 99	\$ 626	\$ 11	\$ 25,228

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

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
December 31, 2015
(Amounts in Thousands)

	General Obligation	Special Assessment	Total Debt Service Funds
ASSETS			
Receivables (Net of Allowance)	\$ -	\$ 99	\$ 99
Due From Other:			
Funds	8,756	185	8,941
Total Assets	8,756	284	9,040
DEFERRED INFLOWS AND FUND BALANCES			
Deferred Inflows of Resources:			
Revenues Levied for the next year and Unavailable Revenue	-	99	99
Fund Balances:			
Restricted	-	185	185
Committed	8,756	-	8,756
Total Fund Balances	8,756	185	8,941
Total Liabilities, Deferred Inflows and Fund Balances	\$ 8,756	\$ 284	\$ 9,040

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, 2015
(Amounts in Thousands)

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Total Debt service Funds</u>
REVENUES			
Special Assessments	\$ -	\$ 24	\$ 24
Total Revenues	<u>-</u>	<u>24</u>	<u>24</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	12,335	10	12,345
Interest and Fiscal Charges	<u>4,770</u>	<u>3</u>	<u>4,773</u>
Total Expenditures	<u>17,105</u>	<u>13</u>	<u>17,118</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(17,105)	11	(17,094)
OTHER FINANCING SOURCES			
Transfers In	<u>17,754</u>	<u>-</u>	<u>17,754</u>
Net Change in Fund Balance	649	11	660
Fund Balance (Deficit) at Beginning of Year	<u>8,107</u>	<u>174</u>	<u>8,281</u>
Fund Balance (Deficit) at Year End	<u>\$ 8,756</u>	<u>\$ 185</u>	<u>\$ 8,941</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.

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Fund
December 31, 2015
(Amounts in Thousands)

	<u>Special Assessment Improvements</u>
ASSETS	
Receivables (Net of Allowance)	\$ 1,042
Total Assets	<u>1,042</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Retainage	14
Due To Other:	
Funds	563
Accrued Wages and Benefits	1
Notes Payable	<u>1,275</u>
Total Liabilities	<u>1,853</u>
Deferred Inflows of Resources:	
Revenues Levied for the next year and Unavailable Revenue	<u>1,042</u>
Fund Balances:	
Unassigned	<u>(1,853)</u>
Total Fund Balances	<u>(1,853)</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,042</u>

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, 2015
(Amounts in Thousands)

	<u>Special Assessment Improvements</u>
REVENUES	
Special Assessments	\$ 203
Total Revenues	<u>203</u>
EXPENDITURES	
Capital Outlay	118
Debt Service:	
Interest and Fiscal Charges	<u>54</u>
Total Expenditures	<u>172</u>
Net Change in Fund Balance	31
Fund Balance (Deficit) at Beginning of Year	<u>(1,884)</u>
Fund Balance (Deficit) at Year End	<u><u>\$ (1,853)</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.

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2015
(Amounts in Thousands)

	Cemetery Perpetual Care Fund
ASSETS	
Investments	\$ 639
Due From Other: Funds	353
Total Assets	992
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Deposits	296
Total Liabilities	296
 Fund Balances:	
Nonspendable	884
Unassigned	(188)
Total Fund Balances	696
Total Liabilities and Fund Balances	\$ 992

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, 2015
(Amounts in Thousands)

	Cemetery Perpetual Care Fund
REVENUES	
Charges for Services	\$ 2
Total Revenues	2
EXPENDITURES	
Total Expenditures	-
Total Other Financing Sources (Uses)	-
Net Change in Fund Balance	2
Fund Balance (Deficit) at Beginning of Year	694
Fund Balance (Deficit) at Year End	\$ 696

City of Toledo, Ohio

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 expenditures of the one centralized location for the storage and the subsequent release of vehicles ordered to be impounded by the Toledo Police Department.

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

Marina Operating - To account for the revenues and expenditures of the operations of the downtown Marina, which the City of Toledo assumed in 2008.

Toledo Public Power – To account for the revenues and expenditures 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.

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City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise Funds
ASSETS								
<u>Current:</u>								
Cash and Equivalents with Treasury	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179
Cash and Equivalents Held by Escrow	-	3	-	-	-	-	-	3
Cash and Equivalents Other	-	-	-	-	-	1	-	1
Investments	13,029	-	-	-	-	-	-	13,029
Restricted Investments	-	4,976	-	-	-	-	370	5,346
Receivables (Net of Allowance)	2,546	5,222	-	243	-	10	44	8,065
Due From Other:								
Funds	5,040	-	-	73	1	192	234	5,540
Total current assets	20,794	10,201	-	316	1	203	648	32,163
<u>Noncurrent:</u>								
Land and Construction in Progress	9,215	647	218	697	-	-	-	10,777
Other Capital Assets, net of Accumulated Depreciation	32,823	-	235	321	-	-	9	33,388
Total noncurrent assets	42,038	647	453	1,018	-	-	9	44,165
Total Assets	62,832	10,848	453	1,334	1	203	657	76,328
DEFERRED OUTFLOWS OF RESOURCES								
Pensions	438	-	-	-	-	-	-	438
Total Deferred Outflows of Resources	438	-	-	-	-	-	-	438
LIABILITIES								
<u>Current:</u>								
Accounts Payable	247	-	-	24	1	-	79	351
Customer Deposits	-	-	-	-	-	4	416	420
Retainage	185	-	-	-	-	-	-	185
Due To Other:								
Funds	-	5,210	97	-	-	-	-	5,307
Governments	16	-	-	-	-	-	-	16
Accrued Interest Payable	-	53	-	5	-	-	-	58
Accrued Wages and Benefits	202	-	-	-	-	-	-	202
Current Portion of:								
Bonds, Loans and Notes Payable, net	114	1,196	-	155	-	-	-	1,465
Total current liabilities	764	6,459	97	184	1	4	495	8,004
<u>Noncurrent:</u>								
Compensated Absences Payable	396	-	-	-	-	-	-	396
Bonds, Loans and Notes Payable, net	1,611	14,534	-	1,150	-	-	-	17,295
Net Pension Liabilities	2,686	-	-	-	-	-	-	2,686
Total noncurrent liabilities	4,693	14,534	-	1,150	-	-	-	20,377
Total Liabilities	5,457	20,993	97	1,334	1	4	495	28,381
DEFERRED INFLOWS OF RESOURCES								
Pensions	47	-	-	-	-	-	-	47
NET POSITION								
Net Investment in Capital Assets	40,313	647	453	(287)	-	-	9	41,135
Restricted:								
Debt Service	22	-	-	-	-	-	-	22
Replacement	5,598	-	-	-	-	-	-	5,598
Improvement	1,528	-	-	-	-	-	-	1,528
Unrestricted (deficit)	10,305	(10,792)	(97)	287	-	199	153	55
Total Net Position	\$ 57,766	\$ (10,145)	\$ 356	\$ -	\$ -	\$ 199	\$ 162	\$ 48,338

City of Toledo, Ohio
 Combing Statement of Revenues, Expenses and Changes in Fund Net Position
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2015
 (Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise Funds
OPERATING REVENUES								
Charges for Services	\$ 9,902	\$ -	\$ -	\$ 1,536	\$ -	\$ -	\$ 688	\$ 12,126
Other Revenue	19	-	-	318	-	97	-	434
Total Operating Revenue	<u>9,921</u>	<u>-</u>	<u>-</u>	<u>1,854</u>	<u>-</u>	<u>97</u>	<u>688</u>	<u>12,560</u>
OPERATING EXPENSES								
Personnel Services	3,301	-	-	-	-	-	-	3,301
Contractual Services	2,008	44	6	764	-	75	10	2,907
Materials and Supplies	397	-	-	14	-	-	-	411
Utilities	-	-	9	4	-	-	641	654
Depreciation	962	10	42	164	-	-	-	1,178
Total Operating Expenses	<u>6,668</u>	<u>54</u>	<u>57</u>	<u>946</u>	<u>-</u>	<u>75</u>	<u>651</u>	<u>8,451</u>
Operating Income (Loss)	<u>3,253</u>	<u>(54)</u>	<u>(57)</u>	<u>908</u>	<u>-</u>	<u>22</u>	<u>37</u>	<u>4,109</u>
NON-OPERATING REVENUES (EXPENSES)								
Investment Earnings	43	22	-	-	-	-	2	67
Interest Expense and Fiscal Charges	(5)	(624)	-	(109)	-	-	(11)	(749)
Gain (Loss) on Sale of Capital Assets	-	48	-	-	-	-	-	48
Total Non-operating Revenues (Expenses)	<u>38</u>	<u>(554)</u>	<u>-</u>	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(634)</u>
Income (Loss) Before Transfers and Contributions	<u>3,291</u>	<u>(608)</u>	<u>(57)</u>	<u>799</u>	<u>-</u>	<u>22</u>	<u>28</u>	<u>3,475</u>
Capital Contributions	636	-	-	-	-	-	-	636
Transfers in	313	1,799	-	-	-	-	-	2,112
Transfers Out	(75)	(50)	-	(800)	-	-	-	(925)
Change in Net Position	4,165	1,141	(57)	(1)	-	22	28	5,298
Net Position at January 1	55,898	(11,286)	413	1	-	177	134	45,337
Restatement, see Note 15	(2,297)	-	-	-	-	-	-	(2,297)
Net Position at December 31	<u>\$ 57,766</u>	<u>\$ (10,145)</u>	<u>\$ 356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ 162</u>	<u>\$ 48,338</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$ 9,753	\$ -	\$ -	\$ 2,109	\$ -	\$ -	\$ 739	\$ 12,601
Cash paid to employees	(3,240)	-	-	-	-	-	-	(3,240)
Cash paid to supplies	(760)	(279)	(17)	(1,266)	-	(97)	(728)	(3,147)
Other receipts	19	-	-	318	-	97	-	434
Net Cash Flows From Operating Activities	<u>5,772</u>	<u>(279)</u>	<u>(17)</u>	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>6,648</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in	313	1,799	-	-	-	-	-	2,112
Transfers out	(75)	(50)	-	(800)	-	-	-	(925)
Net Cash Flows From Noncapital Financing Activities	<u>238</u>	<u>1,749</u>	<u>-</u>	<u>(800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from the sale of assets	-	362	1	-	-	-	-	363
Purchases of property, plant and equipment	(3,220)	-	-	(1)	-	-	-	(3,221)
Principal payments	(108)	(1,213)	-	(1,555)	-	-	-	(2,876)
Proceeds from the issuance of bonds, loans and notes	624	-	-	1,305	-	-	-	1,929
Interest and fiscal charges paid on bonds, loans and notes	(5)	(626)	-	(110)	-	-	(11)	(752)
Net Cash Flows From Capital and Related Financing Activities	<u>(2,709)</u>	<u>(1,477)</u>	<u>1</u>	<u>(361)</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>(4,557)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales and maturities of investments	16,342	19,485	16	-	-	-	19,495	55,338
Purchase of investment	(19,498)	(19,498)	-	-	-	-	(19,498)	(58,494)
Investment income received on investments	28	20	-	-	-	-	3	51
Net Cash Flows From Investing Activities	<u>(3,128)</u>	<u>7</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,105)</u>
Change in cash and cash equivalents	173	-	-	-	-	-	-	173
Cash and cash equivalents at January 1	6	3	-	-	-	1	-	10
Cash and cash equivalents at December 31	<u>179</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>183</u>
Reconciliation of net operating income (loss) to net cash from operating activities:								
Operating income (loss)	\$ 3,253	\$ (54)	\$ (57)	\$ 908	\$ -	\$ 22	\$ 37	\$ 4,109
Adjustments to reconcile operating income (loss) to net cash from operating activities:								
Depreciation	962	10	42	164	-	-	-	1,178
Change in assets, liabilities, deferred outflows and deferred inflows:								
Receivables	(149)	-	-	573	-	-	51	475
Due to (from) other:								
Funds	1,564	(234)	(2)	(450)	-	(21)	(109)	748
Accounts payable and other liabilities	81	-	-	(34)	-	(1)	32	78
Customer deposits	-	(1)	-	-	-	-	-	(1)
Accrued wages and benefits	10	-	-	-	-	-	-	10
Compensated absences	53	-	-	-	-	-	-	53
Deferred outflows - pensions	(110)	-	-	-	-	-	-	(110)
Net pension liability	61	-	-	-	-	-	-	61
Deferred inflows - pensions	47	-	-	-	-	-	-	47
Net cash from operating activities	<u>\$ 5,772</u>	<u>\$ (279)</u>	<u>\$ (17)</u>	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 6,648</u>

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City of Toledo, Ohio

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 of Ohio's retrospective rating plan. The payment of premiums, assessments and claims to the State Bureau of Worker's Compensation, and their allocation to the responsible funds are accounted for in this fund.

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City of Toledo, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2015
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology	Risk Management	Facility Operations	Workers' Compensation	Total Internal Service Funds
ASSETS								
<u>Current:</u>								
Cash and Equivalents Held by Escrow	\$ -	\$ 8,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,154
Restricted Investments	-	15	-	-	-	-	-	15
Receivables (Net of Allowance)	342	-	2	206	1	31	22	604
Due From Other:								
Funds	6,678	-	192	1,160	5,487	285	12,018	25,820
Inventory of Supplies	823	-	3	-	-	-	-	826
Total current assets	<u>7,843</u>	<u>8,169</u>	<u>197</u>	<u>1,366</u>	<u>5,488</u>	<u>316</u>	<u>12,040</u>	<u>35,419</u>
<u>Noncurrent:</u>								
Land and Construction in Progress	350	873	-	-	-	-	-	1,223
Other Capital Assets, net of Accumulated Depreciation	9,280	9,590	-	-	-	3,082	-	21,952
Total noncurrent assets	<u>9,630</u>	<u>10,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,082</u>	<u>-</u>	<u>23,175</u>
Total Assets	<u>17,473</u>	<u>18,632</u>	<u>197</u>	<u>1,366</u>	<u>5,488</u>	<u>3,398</u>	<u>12,040</u>	<u>58,594</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pensions	494	-	-	138	34	172	34	872
Total Deferred Outflows of Resources	<u>494</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>34</u>	<u>172</u>	<u>34</u>	<u>872</u>
LIABILITIES								
<u>Current:</u>								
Accounts Payable	507	-	155	419	46	33	115	1,275
Customer Deposits	291	-	-	25	-	1	-	317
Due To Other:								
Funds	-	4,102	-	-	-	-	-	4,102
Other Current Liabilities	-	-	-	-	1,560	-	10,000	11,560
Accrued Wages and Benefits	242	-	2	169	10	89	16	528
Current Portion of:								
Bonds, Loans and Notes Payable, net	-	1,297	-	-	-	3,250	-	4,547
Total current liabilities	<u>1,040</u>	<u>5,399</u>	<u>157</u>	<u>613</u>	<u>1,616</u>	<u>3,373</u>	<u>10,131</u>	<u>22,329</u>
<u>Noncurrent:</u>								
Bonds, Loans and Notes Payable, net	-	5,754	-	-	-	-	-	5,754
Net Pension Liabilities	3,039	-	-	848	212	1,060	212	5,371
Total noncurrent liabilities	<u>3,039</u>	<u>5,754</u>	<u>-</u>	<u>848</u>	<u>212</u>	<u>1,060</u>	<u>212</u>	<u>11,125</u>
Total Liabilities	<u>4,079</u>	<u>11,153</u>	<u>157</u>	<u>1,461</u>	<u>1,828</u>	<u>4,433</u>	<u>10,343</u>	<u>33,454</u>
DEFERRED INFLOWS OF RESOURCES								
Pensions	53	-	-	15	4	19	4	95
NET POSITION								
Net Investment in Capital Assets	9,630	10,463	-	-	-	(168)	-	19,925
Unrestricted (deficit)	4,205	(2,984)	40	28	3,690	(714)	1,727	5,992
Total Net Position	<u>\$ 13,835</u>	<u>\$ 7,479</u>	<u>\$ 40</u>	<u>\$ 28</u>	<u>\$ 3,690</u>	<u>\$ (882)</u>	<u>\$ 1,727</u>	<u>\$ 25,917</u>

City of Toledo, Ohio
 Combing Statement of Revenues, Expenses and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2015
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology	Risk Management	Facility Operations	Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES								
Charges for Services	\$ 10,529	\$ 9,321	\$ 628	\$ 4,512	\$ 2,004	\$ 2,590	\$ 5,627	\$ 35,211
Other Revenue	98	-	-	-	-	4	52	154
Total Operating Revenue	<u>10,627</u>	<u>9,321</u>	<u>628</u>	<u>4,512</u>	<u>2,004</u>	<u>2,594</u>	<u>5,679</u>	<u>35,365</u>
OPERATING EXPENSES								
Personnel Services	4,413	-	-	1,312	271	1,478	280	7,754
Contractual Services	771	-	400	915	2,389	914	5,285	10,674
Materials and Supplies	5,245	-	188	162	-	319	1	5,915
Utilities	23	-	-	1,993	-	74	-	2,090
Depreciation	733	1,192	-	-	1	96	-	2,022
Total Operating Expenses	<u>11,185</u>	<u>1,192</u>	<u>588</u>	<u>4,382</u>	<u>2,661</u>	<u>2,881</u>	<u>5,566</u>	<u>28,455</u>
Operating Income (Loss)	<u>(558)</u>	<u>8,129</u>	<u>40</u>	<u>130</u>	<u>(657)</u>	<u>(287)</u>	<u>113</u>	<u>6,910</u>
NON-OPERATING REVENUES (EXPENSES)								
Interest Expense and Fiscal Charges	-	(8,219)	-	-	-	(59)	-	(8,278)
Change in Net Position	(558)	(90)	40	130	(657)	(346)	113	(1,368)
Net Position at January 1	16,992	7,569	-	624	4,528	371	1,795	31,879
<i>Restatement, see Note 15</i>	(2,599)	-	-	(726)	(181)	(907)	(181)	(4,594)
Net Position at December 31	<u>\$ 13,835</u>	<u>\$ 7,479</u>	<u>\$ 40</u>	<u>\$ 28</u>	<u>\$ 3,690</u>	<u>\$ (882)</u>	<u>\$ 1,727</u>	<u>\$ 25,917</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015
(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>
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$ 10,666	\$ 14,188	\$ 628	\$ 4,514	\$ 2,004	\$ 2,588	\$ 5,663	\$ 40,251
Cash paid to employees	(4,406)	-	-	(1,296)	(266)	(1,468)	(277)	(7,713)
Cash paid to supplies	(6,358)	-	(628)	(3,218)	(1,738)	(1,052)	(5,438)	(18,432)
Other receipts	98	-	-	-	-	4	52	154
Net Cash Flows From Operating Activities	<u>-</u>	<u>14,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>14,260</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of property, plant and equipment	-	(3,621)	-	-	-	(8)	-	(3,629)
Principal payments	-	(2,348)	-	-	-	(3,255)	-	(5,603)
Proceeds from the issuance of bonds, loans and notes	-	8,154	-	-	-	3,250	-	11,404
Interest and fiscal charges paid on bonds, loans and notes	-	(8,219)	-	-	-	(59)	-	(8,278)
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(6,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72)</u>	<u>-</u>	<u>(6,106)</u>
Change in cash and cash equivalents	-	8,154	-	-	-	-	-	8,154
Cash and cash equivalents at January 1	-	-	-	-	-	-	-	-
Cash and cash equivalents at December 31	<u>-</u>	<u>8,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,154</u>
Reconciliation of net operating income (loss) to net cash from operating activities:								
Operating income (loss)	\$ (558)	\$ 8,129	\$ 40	\$ 130	\$ (657)	\$ (287)	\$ 113	\$ 6,910
Adjustments to reconcile operating income (loss) to net cash from operating activities:								
Depreciation	733	1,192	-	-	1	96	-	2,022
Change in assets, liabilities, deferred outflows and deferred inflows:								
Receivables	3	315	-	2	-	(2)	36	354
Due to (from) other:								
Funds	134	4,552	(44)	(314)	712	478	6,039	11,557
Inventory of supplies	(27)	-	4	-	-	-	-	(23)
Accounts payable and other liabilities	(292)	-	-	166	(61)	(223)	(6,191)	(6,601)
Accrued wages and benefits	8	-	-	17	4	10	2	41
Deferred outflows - pensions	(123)	-	-	(35)	(8)	(43)	(8)	(217)
Net pension liability	69	-	-	19	5	24	5	122
Deferred inflows - pensions	53	-	-	15	4	19	4	95
Net cash from operating activities	<u>\$ -</u>	<u>\$ 14,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 14,260</u>

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City of Toledo, Ohio

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 of Ohio.

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

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City of Toledo, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds - Individual Fund Groupings
For the Year Ended December 31, 2015
(amounts expressed in thousands)

	Assets					Liabilities			
	Balance 1/1/2015	Additions	Deductions	Balance 12/31/2015		Balance 1/1/2015	Additions	Deductions	Balance 12/31/2015
General Agency					General Agency				
Receivables	\$ 2,688	\$ 2,986	\$ 2,895	\$ 2,779	Accounts Payable	\$ 114	\$ 1,225	\$ 1,239	\$ 100
					Customer Deposit	2,574	1,504	1,399	2,679
Municipal Court					Municipal Court				
Cash and Cash Equivalents Other	1,122	1,081	1,089	1,114	Customer Deposit	1,122	1,081	1,089	1,114
Total Agency funds					Total Agency funds				
Cash and Cash Equivalents Other	1,122	1,081	1,089	1,114	Accounts Payable	114	1,225	1,239	100
Receivables	2,688	2,986	2,895	2,779	Customer Deposit	3,696	2,585	2,488	3,793
	<u>\$ 3,810</u>	<u>\$ 4,067</u>	<u>\$ 3,984</u>	<u>\$ 3,893</u>		<u>\$ 3,810</u>	<u>\$ 3,810</u>	<u>\$ 3,727</u>	<u>\$ 3,893</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, 2015
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Income taxes	\$ 169,566	\$ 169,566	\$ 169,045	\$ (521)
Property taxes	11,000	11,000	9,911	(1,089)
Licenses and permits	2,581	2,581	2,455	(126)
Intergovernmental services	14,860	14,860	18,100	3,240
Charges for services	26,676	26,676	26,456	(220)
Investment earnings	261	261	167	(94)
Fines and forfeitures	6,533	6,533	5,457	(1,076)
Other revenue	1,058	1,388	611	(777)
Total revenues	232,535	232,865	232,202	(663)
EXPENDITURES				
Current:				
General government				
Accounts				
Personnel services	1,075	1,054	842	212
Materials and supplies	6	6	1	5
Contractual services	254	254	243	11
Accounts total	1,335	1,314	1,086	228
Affirmative action/contract compliance				
Personnel services	439	430	394	36
Materials and supplies	2	2	2	-
Contractual services	16	16	15	1
Affirmative action/contract compliance total	457	448	411	37
Auditor				
Personnel services	106	104	95	9
Materials and supplies	1	1	-	1
Contractual services	10	10	5	5
Auditor total	117	115	100	15
Beautification action team				
Personnel services	29	29	29	-
Materials and supplies	5	5	3	2
Contractual services	83	83	90	(7)
Beautification action team total	117	117	122	(5)
Board of community relations				
Personnel services	90	89	89	-
Materials and supplies	2	1	-	1
Contractual services	12	13	11	2
Board of community relations total	104	103	100	3

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, 2015
(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	1,209	1,186	1,176	10
Materials and supplies	19	19	7	12
Contractual services	166	166	87	79
City council total	<u>1,394</u>	<u>1,371</u>	<u>1,270</u>	<u>101</u>
Facility operations				
Contractual services	536	536	503	33
Facility operations total	<u>536</u>	<u>536</u>	<u>503</u>	<u>33</u>
Finance administration				
Personnel services	198	194	194	-
Materials and supplies	6	6	1	5
Contractual services	130	130	102	28
Finance administration total	<u>334</u>	<u>330</u>	<u>297</u>	<u>33</u>
Finance ERP				
Personnel services	311	305	324	(19)
Materials and supplies	1	2	1	1
Contractual services	154	153	274	(121)
Finance ERP total	<u>466</u>	<u>460</u>	<u>599</u>	<u>(139)</u>
Financial analysis				
Personnel services	522	513	386	127
Materials and supplies	9	9	-	9
Contractual services	14	14	9	5
Financial analysis total	<u>545</u>	<u>536</u>	<u>395</u>	<u>141</u>
General fund utilities				
Contractual services	1,530	1,530	1,494	36
General fund utilities total	<u>1,530</u>	<u>1,530</u>	<u>1,494</u>	<u>36</u>
General non-departmental services				
Personnel services	(1,040)	(1,040)	5	(1,045)
Contractual services	11,820	11,820	11,294	526
General non-departmental services total	<u>10,780</u>	<u>10,780</u>	<u>11,299</u>	<u>(519)</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, 2015
(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	992	973	846	127
Materials and supplies	38	39	13	26
Contractual services	463	462	418	44
Human resources total	<u>1,493</u>	<u>1,474</u>	<u>1,277</u>	<u>197</u>
Law				
Personnel services	1,756	1,720	1,681	39
Materials and supplies	20	24	16	8
Contractual services	169	189	156	33
Law total	<u>1,945</u>	<u>1,933</u>	<u>1,853</u>	<u>80</u>
Natural resources administration				
Contractual services	67	67	64	3
Natural resources administration total	<u>67</u>	<u>67</u>	<u>64</u>	<u>3</u>
Office of the mayor				
Personnel services	664	650	670	(20)
Materials and supplies	31	31	10	21
Contractual services	178	178	113	65
Office of the mayor total	<u>873</u>	<u>859</u>	<u>793</u>	<u>66</u>
Purchasing and supplies				
Personnel services	252	247	187	60
Materials and supplies	22	19	-	19
Contractual services	34	37	28	9
Purchasing and supplies total	<u>308</u>	<u>303</u>	<u>215</u>	<u>88</u>
Safety administration				
Contractual services	124	124	79	45
Safety administration total	<u>124</u>	<u>124</u>	<u>79</u>	<u>45</u>
Streets, bridges & harbor				
Personnel services	39	39	18	21
Streets, bridges & harbor total	<u>39</u>	<u>39</u>	<u>18</u>	<u>21</u>
Taxation				
Personnel services	2,009	1,972	1,666	306
Materials and supplies	176	176	154	22
Contractual services	175	175	121	54
Taxation total	<u>2,360</u>	<u>2,323</u>	<u>1,941</u>	<u>382</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, 2015
(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	535	526	499	27
Materials and supplies	25	23	15	8
Contractual services	74	76	55	21
Treasury total	<u>634</u>	<u>625</u>	<u>569</u>	<u>56</u>
Water Distribution				
Personnel services	99	97	83	14
Water Distribution total	<u>99</u>	<u>97</u>	<u>83</u>	<u>14</u>
Youth commission				
Personnel services	91	89	84	5
Materials and supplies	6	7	4	3
Contractual services	50	49	31	18
Youth commission total	<u>147</u>	<u>145</u>	<u>119</u>	<u>26</u>
General government total	<u>25,804</u>	<u>25,629</u>	<u>24,687</u>	<u>942</u>
Public service				
General fund utilities				
Contractual services	1,660	1,660	1,549	111
General fund utilities total	<u>1,660</u>	<u>1,660</u>	<u>1,549</u>	<u>111</u>
Parks & forestry				
Personnel services	60	60	35	25
Materials and supplies	2	2	2	-
Contractual services	287	267	253	14
Parks & forestry total	<u>349</u>	<u>329</u>	<u>290</u>	<u>39</u>
Public service total	<u>2,009</u>	<u>1,989</u>	<u>1,839</u>	<u>150</u>
Public safety				
Clerk of municipal court				
Personnel services	5,117	5,023	4,759	264
Materials and supplies	434	434	373	61
Contractual services	402	402	314	88
Clerk of municipal court total	<u>5,953</u>	<u>5,859</u>	<u>5,446</u>	<u>413</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, 2015
(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	63,848	62,642	62,577	65
Materials and supplies	1,140	1,136	976	160
Contractual services	3,504	3,508	3,481	27
Fire total	<u>68,492</u>	<u>67,286</u>	<u>67,034</u>	<u>252</u>
General non-departmental services				
Contractual services	75	75	59	16
General non-departmental services total	<u>75</u>	<u>75</u>	<u>59</u>	<u>16</u>
Law				
Personnel services	811	795	806	(11)
Contractual services	24	-	-	-
Law total	<u>835</u>	<u>795</u>	<u>806</u>	<u>(11)</u>
Municipal court judges				
Personnel services	5,979	5,842	5,395	447
Materials and supplies	148	156	116	40
Contractual services	2,582	2,597	2,346	251
Municipal court judges total	<u>8,709</u>	<u>8,595</u>	<u>7,857</u>	<u>738</u>
Police				
Personnel services	69,313	68,036	68,780	(744)
Materials and supplies	1,514	1,528	1,084	444
Contractual services	4,890	4,876	4,606	270
Police total	<u>75,717</u>	<u>74,440</u>	<u>74,470</u>	<u>(30)</u>
Safety administration				
Contractual services	7,356	10,556	10,620	(64)
Safety administration total	<u>7,356</u>	<u>10,556</u>	<u>10,620</u>	<u>(64)</u>
Public safety total	<u>167,137</u>	<u>167,606</u>	<u>166,292</u>	<u>1,314</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, 2015
(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	1,549	1,535	1,360	175
Materials and supplies	33	33	16	17
Contractual services	225	225	278	(53)
Building inspection total	<u>1,807</u>	<u>1,793</u>	<u>1,654</u>	<u>139</u>
Code enforcement				
Personnel services	545	532	494	38
Materials and supplies	4	6	5	1
Contractual services	257	255	321	(66)
Code enforcement total	<u>806</u>	<u>793</u>	<u>820</u>	<u>(27)</u>
Economic development				
Personnel services	398	389	354	35
Materials and supplies	3	3	1	2
Contractual services	969	969	931	38
Economic development total	<u>1,370</u>	<u>1,361</u>	<u>1,286</u>	<u>75</u>
Engineering services				
Personnel services	120	117	110	7
Contractual services	69	69	29	40
Engineering services total	<u>189</u>	<u>186</u>	<u>139</u>	<u>47</u>
General fund utilities				
Contractual services	123	123	313	(190)
General fund utilities total	<u>123</u>	<u>123</u>	<u>313</u>	<u>(190)</u>
General non-departmental services				
Contractual services	31	31	-	31
General non-departmental services total	<u>31</u>	<u>31</u>	<u>-</u>	<u>31</u>
Housing				
Personnel services	5	5	2	3
Housing total	<u>5</u>	<u>5</u>	<u>2</u>	<u>3</u>
Neighborhoods administration				
Personnel services	12	12	6	6
Contractual services	33	33	105	(72)
Neighborhoods administration total	<u>45</u>	<u>45</u>	<u>111</u>	<u>(66)</u>
Planning commission				
Personnel services	373	365	357	8
Materials and supplies	11	11	10	1
Contractual services	30	30	30	-
Planning commission total	<u>414</u>	<u>406</u>	<u>397</u>	<u>9</u>
Real estate				
Personnel services	7	7	11	(4)
Materials and supplies	-	3	3	-
Contractual services	227	224	88	136
Real estate total	<u>234</u>	<u>234</u>	<u>102</u>	<u>132</u>
Community environment total	<u>5,024</u>	<u>4,977</u>	<u>4,824</u>	<u>153</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, 2015
(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	160	157	127	30
Contractual services	10	10	10	-
Environmental services total	<u>170</u>	<u>167</u>	<u>137</u>	<u>30</u>
Municipal court judges				
Personnel services	307	301	293	8
Municipal court judges total	<u>307</u>	<u>301</u>	<u>293</u>	<u>8</u>
Parks & forestry				
Personnel services	226	222	208	14
Materials and supplies	14	14	10	4
Contractual services	326	346	248	98
Parks & forestry total	<u>566</u>	<u>582</u>	<u>466</u>	<u>116</u>
Waste disposal				
Personnel services	1,116	1,095	1,031	64
Materials and supplies	82	82	48	34
Contractual services	2,692	2,692	2,162	530
Waste disposal total	<u>3,890</u>	<u>3,869</u>	<u>3,241</u>	<u>628</u>
Health total	<u>4,933</u>	<u>4,919</u>	<u>4,137</u>	<u>782</u>
Parks and recreation				
Economic development				
Contractual services	30	30	28	2
Economic development total	<u>30</u>	<u>30</u>	<u>28</u>	<u>2</u>
Parks & forestry				
Personnel services	150	148	123	25
Materials and supplies	50	50	49	1
Contractual services	1,033	1,033	1,036	(3)
Parks & forestry total	<u>1,233</u>	<u>1,231</u>	<u>1,208</u>	<u>23</u>
Recreation				
Personnel services	602	591	438	153
Materials and supplies	17	54	41	13
Contractual services	586	879	771	108
Recreation total	<u>1,205</u>	<u>1,524</u>	<u>1,250</u>	<u>274</u>
Parks and recreation total	<u>2,468</u>	<u>2,785</u>	<u>2,486</u>	<u>299</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, 2015
(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	570	570	570	-
Interest and fiscal charges	156	156	156	-
Debt service total	<u>726</u>	<u>726</u>	<u>726</u>	
Total expenditures	<u>208,101</u>	<u>208,631</u>	<u>204,991</u>	<u>3,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,434</u>	<u>24,234</u>	<u>27,211</u>	<u>2,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,746	12,746	10,546	(2,200)
Transfers out	(37,178)	(36,978)	(36,967)	11
Proceeds from sale of capital assets			-	-
Total other financing sources (uses)	<u>(24,432)</u>	<u>(24,232)</u>	<u>(26,421)</u>	<u>(2,189)</u>
Net change in fund balance	<u>\$ 2</u>	<u>\$ 2</u>	790	<u>\$ 788</u>
Fund balance at beginning of year			9,795	
Increase (decrease) for inventory			<u>(407)</u>	
Fund balance at year end			<u>\$ 10,178</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, 2015
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Intergovernmental services	\$ 4,479	\$ 4,479	\$ 5,364	\$ 885
Charges for services	-	951	813	(138)
Investment earnings	417	417	675	258
Grants	11,830	29,846	13,657	(16,189)
Other revenue	-	255	238	(17)
Total revenues	<u>16,726</u>	<u>35,948</u>	<u>20,747</u>	<u>(15,201)</u>
EXPENDITURES				
Current:				
General government				
Affirmative action/contract compliance	-	-	8	(8)
Personnel services	-	-	8	(8)
Affirmative action/contract compliance total	<u>-</u>	<u>-</u>	<u>8</u>	<u>(8)</u>
Debt management				
Contractual services	-	-	2	(2)
Debt management total	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
Facility operations				
Contractual services	248	248	116	132
Facility operations total	<u>248</u>	<u>248</u>	<u>116</u>	<u>132</u>

General government continued 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, 2015
(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)				
Finance ERP				
Contractual services	87	87	83	4
Finance ERP total	<u>87</u>	<u>87</u>	<u>83</u>	<u>4</u>
Office of the mayor				
Personnel services	21	21	16	5
Office of the mayor total	<u>21</u>	<u>21</u>	<u>16</u>	<u>5</u>
General government total	356	356	225	131
Capital outlay				
Affirmative action/contract compliance				
Personnel services	24	24	-	24
Affirmative action/contract compliance total	<u>24</u>	<u>24</u>	<u>-</u>	<u>24</u>
Building inspection				
Materials and supplies	-	9	8	1
Contractual services	-	73	14	59
Building inspection total	<u>-</u>	<u>82</u>	<u>22</u>	<u>60</u>
City council				
Contractual services	-	50	-	50
City council total	<u>-</u>	<u>50</u>	<u>-</u>	<u>50</u>
Debt management				
Personnel services	117	117	137	(20)
Materials and supplies	3	3	-	3
Contractual services	30	182	116	66
Capital outlay	-	2,062	1,284	778
Debt management total	<u>150</u>	<u>2,364</u>	<u>1,537</u>	<u>827</u>
Economic development				
Materials and supplies	-	93	93	-
Contractual services	650	808	236	572
Capital outlay	-	3,235	1,124	2,111
Economic development total	<u>650</u>	<u>4,136</u>	<u>1,453</u>	<u>2,683</u>
Engineering services				
Personnel services	1,459	1,459	1,475	(16)
Materials and supplies	8	71	64	7
Contractual services	11,512	48,293	24,668	23,625
Capital outlay	-	-	785	(785)
Engineering services total	<u>12,979</u>	<u>49,823</u>	<u>26,992</u>	<u>22,831</u>
Facility operations				
Materials and supplies	-	26	26	-
Contractual services	-	976	697	279
Capital outlay	-	241	198	43
Facility operations total	<u>-</u>	<u>1,243</u>	<u>921</u>	<u>322</u>

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, 2015
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
Capital outlay (continued)				
Fire				
Materials and supplies	-	33	29	4
Contractual services	-	694	-	694
Capital outlay	-	3,619	3,025	594
Fire total	-	4,346	3,054	1,292
Fleet operations				
Materials and supplies	-	120	121	(1)
Contractual services	-	61	-	61
Capital outlay	-	326	207	119
Fleet operations total	-	507	328	179
Human resources				
Contractual services	-	6	6	-
Human resources total	-	6	6	-
Information & communication technology				
Materials and supplies	-	71	69	2
Contractual services	-	531	55	476
Capital outlay	-	45	22	23
Information & communication technology total	-	647	146	501
Municipal court judges				
Contractual services	-	274	-	274
Municipal court judges total	-	274	-	274
Office of the mayor				
Contractual services	-	115	17	98
Office of the mayor total	-	115	17	98

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, 2015
(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	-	37	37	-
Contractual services	-	468	227	241
Capital outlay	-	23	-	23
Parks & forestry total	-	528	264	264
Planning commission				
Personnel services	79	79	79	-
Planning commission total	79	79	79	-
Police				
Materials and supplies	-	235	98	137
Contractual services	-	547	367	180
Capital outlay	-	37	-	37
Police total	-	819	465	354
Recreation				
Contractual services	-	793	435	358
Capital Outlay	-	18	-	18
Recreation total	-	811	435	376
Streets, bridges & harbor				
Personnel services	224	224	209	15
Materials and supplies	23	23	34	(11)
Contractual services	2,402	6,424	1,417	5,007
Streets, bridges & harbor total	2,649	6,671	1,660	5,011
Taxation				
Personnel services	-	11	11	-
Materials and supplies	-	20	14	6
Contractual services	-	1,023	466	557
Taxation total	-	1,054	491	563
Transportation				
Personnel services	594	594	524	70
Materials and supplies	96	160	156	4
Contractual services	69	105	78	27
Capital outlay	1	58	-	58
Transportation total	760	917	758	159

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, 2015
(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	-	382	132	250
Waste disposal total	-	382	132	250
Capital outlay total	17,291	74,878	38,760	36,118
Debt service:				
Principal retirement	7,123	7,123	8,161	(1,038)
Interest and fiscal charges	1,258	1,761	2,473	(712)
Total expenditures	26,028	84,118	49,619	34,499
Excess (deficiency) of revenues over (under) expenditures	(9,302)	(48,170)	(28,872)	19,298
OTHER FINANCING SOURCES (USES)				
Transfers in	38,655	38,655	38,322	333
Transfers out	(35,190)	(35,190)	(29,053)	(6,137)
Capital lease proceeds	-	4,540	4,540	-
Issuance of debt	7,543	23,656	26,044	(2,388)
Premium (discount) on bond	861	861	2,784	(1,923)
Payments to Escrow Agent	-	-	(10,181)	10,181
Total other financing sources (uses)	11,869	32,522	32,456	66
Net change in fund balance	<u>\$ 2,567</u>	<u>\$ (15,648)</u>	3,584	<u>\$ 19,364</u>
Fund balance at beginning of year			19,140	
Increase (decrease) for inventory			(64)	
Fund balance at year end			<u>\$ 22,660</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, 2015
(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	\$ 26,277	\$ 26,277	\$ 24,147	\$ (2,130)
Charges for services	754	754	392	(362)
Investment earnings	10	10	3	(7)
Other revenue	31	31	21	(10)
Total revenues	<u>27,072</u>	<u>27,072</u>	<u>24,563</u>	<u>(2,509)</u>
EXPENDITURES				
Current:				
General government				
Debt management				
Personnel services	78	78	91	(13)
Contractual services	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Debt management total	79	79	92	(13)
Finance ERP				
Contractual services	<u>92</u>	<u>92</u>	<u>92</u>	<u>-</u>
Finance ERP total	92	92	92	-
General non-departmental services				
Personnel services	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>3</u>
General non-departmental services total	-	-	(3)	3
Human resources				
Personnel services	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
Human resources total	8	8	8	-
Office of the mayor				
Personnel services	<u>21</u>	<u>21</u>	<u>16</u>	<u>5</u>
Office of the mayor total	21	21	16	5
Streets, bridges & harbor				
Personnel services	250	250	113	137
Materials and supplies	3	3	2	1
Contractual services	<u>523</u>	<u>523</u>	<u>468</u>	<u>55</u>
Streets, bridges & harbor total	<u>776</u>	<u>776</u>	<u>583</u>	<u>193</u>
General government total	<u>976</u>	<u>976</u>	<u>788</u>	<u>188</u>
Public service				
Engineering services				
Personnel services	85	85	41	44
Contractual services	<u>119</u>	<u>119</u>	<u>81</u>	<u>38</u>
Engineering services total	204	204	122	82

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, 2015
(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	3,900	3,900	3,472	428
General fund utilities total	<u>3,900</u>	<u>3,900</u>	<u>3,472</u>	<u>428</u>
Natural resources administration				
Personnel services	-	-	4	(4)
Natural resources administration total	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Parks & forestry				
Personnel services	4,742	4,742	3,982	760
Materials and supplies	280	280	198	82
Contractual services	3,212	3,212	1,811	1,401
Parks & forestry total	<u>8,234</u>	<u>8,234</u>	<u>5,991</u>	<u>2,243</u>
Streets, bridges & harbor				
Personnel services	7,163	7,163	6,232	931
Materials and supplies	1,977	1,977	1,934	43
Contractual services	5,812	6,777	6,599	178
Streets, bridges & harbor total	<u>14,952</u>	<u>15,917</u>	<u>14,765</u>	<u>1,152</u>
Treasury				
Personnel services	163	163	190	(27)
Materials and supplies	53	65	76	(11)
Contractual services	443	443	415	28
Debt and other	258	258	249	9
Treasury total	<u>917</u>	<u>929</u>	<u>930</u>	<u>(1)</u>
Water Distribution				
Personnel services	298	298	301	(3)
Water Distribution total	<u>298</u>	<u>298</u>	<u>301</u>	<u>(3)</u>
Public service total	<u>28,505</u>	<u>29,482</u>	<u>25,585</u>	<u>3,897</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, 2015
(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				
Parks & forestry				
Personnel services	383	383	295	88
Materials and supplies	49	49	17	32
Contractual services	428	428	270	158
Parks & forestry total	<u>860</u>	<u>860</u>	<u>582</u>	<u>278</u>
Health total	<u>860</u>	<u>860</u>	<u>582</u>	<u>278</u>
Parks and recreation				
Parks & forestry				
Materials and supplies	38	36	22	14
Contractual services	308	310	300	10
Parks & forestry total	<u>346</u>	<u>346</u>	<u>322</u>	<u>24</u>
Parks and recreation total	<u>346</u>	<u>346</u>	<u>322</u>	<u>24</u>
Capital outlay:				
Streets, bridges & harbor				
Capital outlay	123	313	186	127
Streets, bridges & harbor total	<u>123</u>	<u>313</u>	<u>186</u>	<u>127</u>
Treasury				
Capital outlay	20	8	-	8
Treasury total	<u>20</u>	<u>8</u>	<u>-</u>	<u>8</u>
Capital outlay total	<u>143</u>	<u>321</u>	<u>186</u>	<u>135</u>
Debt service:				
Principal retirement	19,800	19,800	-	19,800
Interest and fiscal charges	198	198	903	(705)
Total expenditures	<u>50,828</u>	<u>51,983</u>	<u>28,366</u>	<u>23,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,756)</u>	<u>(24,911)</u>	<u>(3,803)</u>	<u>21,108</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	18,000	18,000	-	(18,000)
Total other financing sources (uses)	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Net change in fund balance	<u>\$ (5,756)</u>	<u>\$ (6,911)</u>	(3,803)	<u>\$ 3,108</u>
Fund balance (deficit) at beginning of year			(56,908)	
Increase (decrease) for inventory			118	
Fund balance (deficit) at year end			<u>\$ (60,593)</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, 2015
(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	6,781	17,025	8,326	(8,699)
Other revenue	-	1,181	352	(829)
Total revenues	<u>6,781</u>	<u>18,248</u>	<u>8,678</u>	<u>(9,570)</u>
EXPENDITURES				
Current:				
General government				
Beautification action team				
Contractual services	-	3	(3)	6
Beautification action team total	<u>-</u>	<u>3</u>	<u>(3)</u>	<u>6</u>
General non-departmental services				
Personnel services	-	-	55	(55)
General non-departmental services total	<u>-</u>	<u>-</u>	<u>55</u>	<u>(55)</u>
General government total	<u>-</u>	<u>3</u>	<u>52</u>	<u>(49)</u>
Community environment				
Beautification action team				
Personnel services	323	532	333	199
Materials and supplies	5	40	713	(673)
Contractual services	779	1,074	23	1,051
Debt and other	-	5	-	5
Beautification action team total	<u>1,107</u>	<u>1,651</u>	<u>1,069</u>	<u>582</u>
Code enforcement				
Personnel services	663	1,001	652	349
Materials and supplies	-	6	6	-
Contractual services	88	114	8	106
Debt and other	-	420	-	420
Code enforcement total	<u>751</u>	<u>1,541</u>	<u>666</u>	<u>875</u>
Economic development				
Personnel services	94	132	74	58
Materials and supplies	-	3	-	3
Contractual services	-	3	-	3
Debt and other	-	388	-	388
Economic development total	<u>94</u>	<u>526</u>	<u>74</u>	<u>452</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, 2015
(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	1,425	2,986	1,445	1,541
Materials and supplies	-	97	4	93
Contractual services	-	1,240	223	1,017
Debt and other	-	644	194	450
Housing division total	<u>1,425</u>	<u>4,967</u>	<u>1,866</u>	<u>3,101</u>
Law				
Personnel services	55	89	61	28
Law total	<u>55</u>	<u>89</u>	<u>61</u>	<u>28</u>
Neighborhoods administration				
Personnel services	1,119	1,986	1,225	761
Materials and supplies	-	66	23	43
Contractual services	-	1,363	730	633
Debt and other	-	118	-	118
Neighborhoods administration total	<u>1,119</u>	<u>3,533</u>	<u>1,978</u>	<u>1,555</u>
Planning commission				
Personnel services	87	143	89	54
Planning commission total	<u>87</u>	<u>143</u>	<u>89</u>	<u>54</u>
Real estate				
Personnel services	100	243	127	116
Real estate total	<u>100</u>	<u>243</u>	<u>127</u>	<u>116</u>
Third party partners				
Debt and other	2,043	3,862	2,070	1,792
Third party partners total	<u>2,043</u>	<u>3,862</u>	<u>2,070</u>	<u>1,792</u>
Community environment total	<u>6,781</u>	<u>16,555</u>	<u>8,000</u>	<u>8,555</u>
Capital Outlay	-	11	-	11
Total expenditures	<u>6,781</u>	<u>16,569</u>	<u>8,052</u>	<u>8,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,679</u>	<u>626</u>	<u>(1,053)</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, 2015
(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	-	(1)	(15)	(14)
Transfers in	-	5	-	(5)
Proceeds from sale of capital assets	-	8	-	(8)
Total other financing sources (uses)	<u>-</u>	<u>12</u>	<u>(15)</u>	<u>(27)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,691</u>	611	<u>\$ (1,080)</u>
Fund balance at beginning of year			609	
Fund balance at year end			<u>\$ 1,220</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, 2015
(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	\$ 5,905	\$ 14,968	\$ 6,573	\$ (8,395)
Other revenue	-	601	461	(140)
Total revenues	<u>5,905</u>	<u>15,569</u>	<u>7,034</u>	<u>(8,535)</u>
EXPENDITURES				
Current:				
General government				
Board of community relations				
Contractual services	-	1	-	1
Board of community relations total	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
General non-departmental services				
Personnel services	-	-	30	(30)
General non-departmental services total	<u>-</u>	<u>-</u>	<u>30</u>	<u>(30)</u>
General government total	<u>-</u>	<u>1</u>	<u>30</u>	<u>(29)</u>
Public safety				
Fire				
Personnel services	60	81	53	28
Materials and supplies	34	234	126	108
Contractual services	112	234	55	179
Fire total	<u>206</u>	<u>549</u>	<u>234</u>	<u>315</u>
Law				
Contractual services	-	-	(1)	1
Law total	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>1</u>
Municipal court judges				
Personnel services	435	678	223	455
Materials and supplies	4	8	4	4
Contractual services	1,048	1,405	451	954
Municipal court judges total	<u>1,487</u>	<u>2,091</u>	<u>678</u>	<u>1,413</u>
Police				
Personnel services	718	3,142	1,682	1,460
Materials and supplies	21	369	252	117
Contractual services	112	383	93	290
Police total	<u>851</u>	<u>3,894</u>	<u>2,027</u>	<u>1,867</u>
Public safety total	<u>2,544</u>	<u>6,534</u>	<u>2,938</u>	<u>3,596</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, 2015
(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 utilities				
Water treatment				
Materials and supplies	30	30	-	30
Water treatment total	<u>30</u>	<u>30</u>	<u>-</u>	<u>30</u>
Public utilities total	<u>30</u>	<u>30</u>	<u>-</u>	<u>30</u>
Community environment				
Code enforcement				
Contractual services	40	40	10	30
Code enforcement total	<u>40</u>	<u>40</u>	<u>10</u>	<u>30</u>
Economic development				
Contractual services	-	8	-	8
Economic development total	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>
Environmental services				
Contractual services	-	18	17	1
Environmental services total	<u>-</u>	<u>18</u>	<u>17</u>	<u>1</u>
Housing division				
Personnel services	-	431	151	280
Materials and supplies	-	15	5	10
Contractual services	-	68	13	55
Debt and other	-	2,108	741	1,367
Housing division total	<u>-</u>	<u>2,622</u>	<u>910</u>	<u>1,712</u>
Neighborhoods administration				
Personnel services	-	71	10	61
Contractual services	-	145	7	138
Debt and other	898	1,450	658	792
Neighborhoods administration total	<u>898</u>	<u>1,666</u>	<u>675</u>	<u>991</u>
Planning commission				
Personnel services	-	348	232	116
Materials and supplies	-	27	19	8
Contractual services	-	23	7	16
Planning commission total	<u>-</u>	<u>398</u>	<u>258</u>	<u>140</u>
Community environment total	<u>938</u>	<u>4,752</u>	<u>1,870</u>	<u>2,882</u>
Health				
Environmental services				
Personnel services	1,609	2,527	1,031	1,496
Materials and supplies	42	102	23	79
Contractual services	712	2,741	1,281	1,460
Debt and other	-	3	3	-
Environmental services total	<u>2,363</u>	<u>5,373</u>	<u>2,338</u>	<u>3,035</u>
Health total	<u>2,363</u>	<u>5,373</u>	<u>2,338</u>	<u>3,035</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, 2015
(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	30	114	73	41
Total expenditures	<u>5,905</u>	<u>16,804</u>	<u>7,249</u>	<u>9,555</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,235)</u>	(215)	<u>\$ 1,020</u>
Fund balance at beginning of year			<u>11,338</u>	
Fund balance at year end			<u>\$ 11,123</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, 2015
(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	\$ -	\$ -	\$ 4	\$ (4)
Intergovernmental services	12,311	12,311	12,489	(178)
Charges for services	2	2	1	1
Fines and forfeitures	1	1	2	(1)
Other revenue	13	13	15	(2)
Total revenues	<u>12,327</u>	<u>12,327</u>	<u>12,511</u>	<u>(184)</u>
EXPENDITURES				
Current:				
General government				
Finance ERP				
Contractual services	28	28	28	-
Finance ERP total	<u>28</u>	<u>28</u>	<u>28</u>	<u>-</u>
Human resources				
Personnel services	17	17	17	-
Human resources total	<u>17</u>	<u>17</u>	<u>17</u>	<u>-</u>
Streets, bridges & harbor				
Personnel services	198	198	95	103
Materials and supplies	3	3	-	3
Contractual services	5	5	1	4
Streets, bridges & harbor total	<u>206</u>	<u>206</u>	<u>96</u>	<u>110</u>
General government total	<u>251</u>	<u>251</u>	<u>141</u>	<u>110</u>
Public service				
Engineering services				
Personnel services	939	939	720	219
Materials and supplies	1	1	1	-
Contractual services	577	5,308	4,606	702
Engineering services total	<u>1,517</u>	<u>6,248</u>	<u>5,327</u>	<u>921</u>
General fund utilities				
Contractual services	350	350	204	146
General fund utilities total	<u>350</u>	<u>350</u>	<u>204</u>	<u>146</u>

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, 2015
(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	3,558	3,558	3,691	(133)
Materials and supplies	1,687	1,647	1,419	228
Contractual services	1,012	1,012	1,486	(474)
Capital outlay	21	61	-	61
Streets, bridges & harbor total	<u>6,278</u>	<u>6,278</u>	<u>6,596</u>	<u>(318)</u>
Transportation				
Personnel services	3,108	3,108	2,708	400
Materials and supplies	567	512	433	79
Contractual services	872	922	1,174	(252)
Transportation total	<u>4,547</u>	<u>4,542</u>	<u>4,315</u>	<u>227</u>
Public service total	<u>12,692</u>	<u>17,418</u>	<u>16,442</u>	<u>976</u>
Public safety				
Police				
Personnel services	113	113	58	55
Contractual services	5	5	5	-
Police total	<u>118</u>	<u>118</u>	<u>63</u>	<u>55</u>
Public safety total	<u>118</u>	<u>118</u>	<u>63</u>	<u>55</u>
Community environment				
Building inspection				
Personnel services	11	11	10	1
Building inspection total	<u>11</u>	<u>11</u>	<u>10</u>	<u>1</u>
Community environment total	<u>11</u>	<u>11</u>	<u>10</u>	<u>1</u>
Capital outlay				
Engineering services				
Contractual services	1	-	-	-
Engineering services total	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Streets, bridges & harbor				
Materials and supplies	-	841	658	183
Capital outlay	-	104	104	-
Streets, bridges & harbor total	<u>-</u>	<u>945</u>	<u>762</u>	<u>183</u>
Transportation				
Capital outlay	-	56	-	56
Transportation total	<u>-</u>	<u>56</u>	<u>-</u>	<u>56</u>
Capital outlay total	<u>1</u>	<u>1,001</u>	<u>762</u>	<u>239</u>
Total expenditures	<u>13,073</u>	<u>18,799</u>	<u>17,418</u>	<u>1,381</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, 2015
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Excess (deficiency) of revenues over (under) expenditures	(746)	(6,472)	(4,907)	1,197
OTHER FINANCING SOURCES (USES)				
Transfers in	225	275	275	-
Transfers out	(1,498)	(1,498)	(1,340)	158
Total other financing sources (uses)	(1,273)	(1,223)	(1,065)	158
Net change in fund balance	<u>\$ (2,019)</u>	<u>\$ (7,695)</u>	(5,972)	<u>\$ 1,355</u>
Fund balance at beginning of year			10,573	
Increase for inventory			(232)	
Fund balance at year end			<u>\$ 4,369</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, 2015
(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				
Investment earnings	\$ 5	\$ 5	\$ 4	\$ (1)
Charge for Services	-	-	3	3
Other revenue	24	24	-	(24)
Total revenues	<u>29</u>	<u>29</u>	<u>7</u>	<u>(22)</u>
EXPENDITURES				
Current:				
Parks and recreation				
Parks & forestry				
Contractual Services	24	24	22	2
Parks & forestry total	<u>24</u>	<u>24</u>	<u>22</u>	<u>2</u>
Total expenditures	<u>24</u>	<u>24</u>	<u>22</u>	<u>2</u>
Net change in fund balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>(15)</u>	<u>\$ (20)</u>
Fund balance at beginning of year			<u>34</u>	
Fund balance at year end			<u>\$ 19</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, 2015
(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	\$ 250	\$ 4
Total revenues	<u>246</u>	<u>246</u>	<u>250</u>	<u>4</u>
EXPENDITURES				
Current:				
Community environment:				
Contractual Services	-	40	40	-
Total expenditures	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246</u>	<u>206</u>	<u>210</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(246)	(246)	(246)	-
Total other financing sources (uses)	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (40)</u>	(36)	<u>\$ 4</u>
Fund balance at beginning of year			445	
Fund balance at year end			<u>\$ 409</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, 2015
(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	\$ 23	\$ (5)
Charges for Services			9	9
Total revenues	<u>28</u>	<u>28</u>	<u>32</u>	<u>4</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 28</u>	<u>\$ 28</u>	32	<u>\$ 4</u>
Fund balance at beginning of year			283	
Fund balance at year end			<u>\$ 315</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, 2015
(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			381	
Fund balance at year end			<u>\$ 402</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, 2015
(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	\$ 26	\$ (52)
Total revenues	<u>78</u>	<u>78</u>	<u>26</u>	<u>(52)</u>
EXPENDITURES				
Current:				
Parks and recreation				
Recreation				
Contractual services	78	78	11	67
Recreation total	<u>78</u>	<u>78</u>	<u>11</u>	<u>67</u>
Parks and recreation total	<u>78</u>	<u>78</u>	<u>11</u>	<u>67</u>
Total expenditures	<u>78</u>	<u>78</u>	<u>11</u>	<u>67</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15	<u>\$ (15)</u>
Fund balance at beginning of year			<u>33</u>	
Fund balance at year end			<u>\$ 48</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, 2015
(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	\$ -	\$ 541	\$ 541	\$ -
Investment earnings	-	2	2	-
Fines and forfeitures	-	1,573	1,573	-
Grants	-	70	70	-
Other revenue	-	3,681	3,680	(1)
Total revenues	<u>-</u>	<u>5,867</u>	<u>5,866</u>	<u>(1)</u>
EXPENDITURES				
Current:				
General government				
City council				
Debt and other	-	40	-	40
City council total	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</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	-	42	2	40
Municipal court judges total	<u>-</u>	<u>42</u>	<u>2</u>	<u>40</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>680</u>	<u>2</u>	<u>678</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, 2015
(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	-	182	-	182
Clerk of municipal court total	-	182	-	182
Fire				
Materials and supplies	-	105	91	14
Contractual services	-	30	22	8
Debt and other	-	103	-	103
Fire total	-	238	113	125
Law				
Contractual services	-	142	138	4
Debt and other	-	56	-	56
Law total	-	198	138	60
Municipal court judges				
Personnel services	-	85	46	39
Materials and supplies	-	391	314	77
Contractual services	-	1,251	811	440
Debt and other	-	7,438	-	7,438
Municipal court judges total	-	9,165	1,171	7,994
Police				
Materials and supplies	-	350	123	227
Contractual services	-	99	49	50
Debt and other	-	1,054	78	976
Police total	-	1,503	250	1,253
Public safety total	-	11,286	1,672	9,614
Community environment				
Economic development				
Contractual services	-	1,194	1,293	(99)
Debt and other	-	10	-	10
Economic development total	-	1,204	1,293	(89)
Engineering services				
Debt and other	-	(2)	-	(2)
Engineering services total	-	(2)	-	(2)

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, 2015
(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				
Debt and other	-	1	-	1
Housing division total	-	1	-	1
Municipal court judges				
Materials and supplies	-	18	10	8
Contractual services	-	120	9	111
Debt and other	-	66	-	66
Municipal court judges total	-	204	19	185
Neighborhoods administration				
Personnel services	-	43	36	7
Materials and supplies	-	31	14	17
Contractual services	-	63	54	9
Debt and other	-	643	131	512
Neighborhoods administration total	-	780	235	545
Recreation				
Materials and supplies	-	14	7	7
Contractual services	-	46	17	29
Debt and other	-	177	3	174
Recreation total	-	237	27	210
Streets, bridges & harbor				
Personnel services	-	978	871	107
Materials and supplies	-	103	23	80
Contractual services	-	1,194	1,035	159
Debt and other	-	486	-	486
Streets, bridges & harbor total	-	2,761	1,929	832
Community environment total	-	5,185	3,503	1,682
Health				
Environmental services				
Contractual services	-	52	23	29
Debt and other	-	39	-	39
Environmental services total	-	91	23	68
Waste disposal				
Contractual services	-	59	59	-
Debt and other	-	574	586	(12)
Waste disposal total	-	633	645	(12)
Health total	-	724	668	56

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, 2015
(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	-	34	16	18
Contractual services	-	16	3	13
Debt and other	-	336	6	330
Parks & forestry total	-	386	25	361
Youth commission				
Debt and other	-	2	1	1
Youth commission total	-	2	1	1
Parks and recreation total	-	389	26	363
Capital outlay	-	757	336	421
Total expenditures	-	19,021	6,207	12,814
Excess (deficiency) of revenues over (under) expenditures	-	(13,154)	(341)	12,813
OTHER FINANCING SOURCES (USES)				
Transfers out	-	10	-	(10)
Proceeds from sale of capital assets	-	1	1	-
Total other financing sources (uses)	-	11	1	(10)
Net change in fund balance	<u>\$ -</u>	<u>\$ (13,143)</u>	(340)	<u>\$ 12,803</u>
Fund balance at beginning of year			6,238	
Increase for inventory			1	
Fund balance at year end			<u>\$ 5,899</u>	

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, 2015
(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				
Grants	\$ 1,549	\$ 6,484	\$ 3,044	\$ (3,440)
Other revenue	-	-	79	79
Total revenues	<u>1,549</u>	<u>6,484</u>	<u>3,123</u>	<u>(3,361)</u>
EXPENDITURES				
Current:				
Community environment				
Housing division				
Personnel services	137	342	105	237
Materials and supplies	2	29	-	29
Contractual services	16	54	7	47
Debt and other	1,394	4,978	2,712	2,266
Housing division total	<u>1,549</u>	<u>5,403</u>	<u>2,824</u>	<u>2,579</u>
Neighborhoods administration				
Personnel services	-	17	(1)	18
Neighborhoods administration total	<u>-</u>	<u>17</u>	<u>(1)</u>	<u>18</u>
Community environment total	<u>1,549</u>	<u>5,420</u>	<u>2,823</u>	<u>2,597</u>
Total expenditures	<u>1,549</u>	<u>5,420</u>	<u>2,823</u>	<u>2,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,064</u>	<u>300</u>	<u>(764)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	49	-	(49)
Total other financing sources (uses)	<u>-</u>	<u>49</u>	<u>-</u>	<u>(49)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,113</u>	<u>300</u>	<u>\$ (813)</u>
Fund balance at beginning of year			<u>326</u>	
Fund balance at year end			<u>\$ 626</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, 2015
(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	\$ -	\$ -	\$ 5	\$ 5
Total revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures		<u>-</u>	<u>5</u>	<u>5</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>5</u>	<u>\$ 5</u>
Fund balance at beginning of year			<u>6</u>	
Fund balance at year end			<u>\$ 11</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, 2015
(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	17,340	17,340	12,335	5,005
Interest and fiscal charges	5,011	5,011	4,770	241
Total expenditures	<u>22,351</u>	<u>22,351</u>	<u>17,105</u>	<u>5,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,351)</u>	<u>(22,351)</u>	<u>(17,105)</u>	<u>5,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>22,351</u>	<u>22,351</u>	<u>17,754</u>	<u>(4,597)</u>
Total other financing sources (uses)	<u>22,351</u>	<u>22,351</u>	<u>17,754</u>	<u>(4,597)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	649	<u>\$ 649</u>
Fund balance at beginning of year			<u>8,107</u>	
Fund balance at year end			<u>\$ 8,756</u>	

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, 2015
(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	\$ 33	\$ 33	\$ 24	\$ (9)
Total revenues	<u>33</u>	<u>33</u>	<u>24</u>	<u>(9)</u>
EXPENDITURES				
Debt service:				
Principal retirement	10	10	10	-
Interest and fiscal charges	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total expenditures	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
Net change in fund balance	<u>\$ 20</u>	<u>\$ 20</u>	11	<u>\$ (9)</u>
Fund balance at beginning of year			<u>174</u>	
Fund balance at year end			<u>\$ 185</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, 2015
(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	\$ 175	\$ 175	\$ 203	\$ 28
Total revenues	<u>175</u>	<u>175</u>	<u>203</u>	<u>28</u>
EXPENDITURES				
Current:				
Capital outlay				
Engineering services				
Personnel services	144	144	65	79
Contractual services	<u>109</u>	<u>245</u>	<u>53</u>	<u>192</u>
Engineering services total	<u>253</u>	<u>389</u>	<u>118</u>	<u>271</u>
Capital outlay total	<u>253</u>	<u>389</u>	<u>118</u>	<u>271</u>
Debt service:				
Interest and fiscal charges	-	-	54	(54)
Total expenditures	<u>253</u>	<u>389</u>	<u>172</u>	<u>217</u>
Net change in fund balance	<u>\$ (78)</u>	<u>\$ (214)</u>	31	<u>\$ 245</u>
Fund balance (deficit) at beginning of year			<u>(1,884)</u>	
Fund balance (deficit) at year end			<u>\$ (1,853)</u>	

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STATISTICAL SECTION

City of Toledo, Ohio

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.

16-18

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.

19-20

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

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

	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:										
Net investment in capital assets	\$ 349,748	\$ 377,025	\$ 379,066	\$ 368,093	\$ 342,304	\$ 343,145	\$ 333,510	\$ 338,428	\$ 329,962	\$ 300,779
Restricted	49,575	58,721	59,009	81,257	65,509	73,630	83,098	52,032	52,822	50,555
Unrestricted	(196,638)	(198,341)	26,195	18,429	31,418	5,002	(14,200)	-	-	2,278
Total governmental activities	<u>202,685</u>	<u>237,405</u>	<u>464,270</u>	<u>467,779</u>	<u>439,231</u>	<u>421,777</u>	<u>402,408</u>	<u>390,460</u>	<u>382,784</u>	<u>353,612</u>
Business-type activities:										
Net investment in capital assets	404,882	391,748	372,533	388,287	383,122	388,160	327,984	305,182	280,940	253,730
Restricted	75,073	89,146	88,854	33,221	7,476	31,760	36,259	41,367	60,000	95,084
Unrestricted	14,429	(17,624)	5,265	17,424	29,078	6,676	47,785	59,097	53,529	41,289
Total business-type activities	<u>494,384</u>	<u>463,270</u>	<u>466,652</u>	<u>438,932</u>	<u>419,676</u>	<u>426,596</u>	<u>412,028</u>	<u>405,646</u>	<u>394,469</u>	<u>390,103</u>
Primary government activities:										
Net investment in capital assets	754,630	768,773	751,599	756,380	725,426	731,305	661,494	643,610	610,902	554,509
Restricted	124,648	147,867	147,863	114,478	72,985	105,390	119,357	93,399	112,822	145,639
Unrestricted	(182,209)	(215,965)	31,460	35,853	60,496	11,678	33,585	59,097	53,529	43,567
Total primary government activities	<u>\$ 697,069</u>	<u>\$ 700,675</u>	<u>\$ 930,922</u>	<u>\$ 906,711</u>	<u>\$ 858,907</u>	<u>\$ 848,373</u>	<u>\$ 814,436</u>	<u>\$ 796,106</u>	<u>\$ 777,253</u>	<u>\$ 743,715</u>

(1) - The City implemented GASB Statement No. 68 in 2015. Information prior to 2014 was not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Government activities										
Charges for services:										
General government	\$ 17,835	\$ 22,583	\$ 37,121	\$ 72,061	\$ 41,828	\$ 46,960	\$ 72,777	\$ 59,916	\$ 30,165	\$ 28,338
Public service	27,852	21,517	26,198	-	25,381	26,003	-	-	-	-
Public safety	15,338	17,406	17,042	15,907	12,748	9,363	8,103	9,408	8,814	8,524
Public utilities	14	22	-	351	-	-	-	-	1,199	-
Community environment	2,440	2,389	2,527	2,928	8,044	5,421	6,364	7,464	6,563	7,052
Health	10,454	10,575	11,709	9,813	11,221	11,184	5,853	5,580	2,632	704
Parks and recreation	479	138	164	635	206	200	111	116	101	122
Operating grants	9,022	14,160	20,492	29,533	35,731	12,675	40,689	33,081	65,423	55,734
Capital grants	19,996	14,486	10,630	16,590	4,509	33,739	18,348	15,537	21,082	25,689
Total governmental activities program revenue	<u>103,430</u>	<u>103,276</u>	<u>125,883</u>	<u>147,818</u>	<u>139,668</u>	<u>145,545</u>	<u>152,245</u>	<u>131,102</u>	<u>135,979</u>	<u>126,163</u>
Business-type activities:										
Charges for services:										
Water	63,323	57,205	52,476	44,112	43,250	42,487	35,913	38,070	38,627	34,790
Sewer	70,863	69,890	69,719	66,608	65,608	57,354	54,189	56,064	48,901	44,377
Storm utility	9,921	11,046	9,620	10,331	10,234	9,798	10,069	9,034	8,620	8,132
Utilities administration	16,222	12,163	9,945	12,462	11,323	10,071	8,696	10,564	9,676	7,802
Parking	-	-	-	-	1,887	1,383	1,459	1,509	1,403	1,486
Toledo public power	688	774	588	136	-	-	-	-	-	-
Property management	-	1,745	-	-	24	470	208	262	266	(688)
Erie Street Market	97	107	146	115	197	177	-	-	-	(2)
Small business development	-	8	-	-	-	-	-	-	-	-
Tow lot	1,854	2,566	2,536	2,007	1,929	1,911	1,418	2,549	2,315	2,225
Capital grants	1,524	2,483	640	1,448	2,709	5,423	-	-	-	-
Total business-type activities revenues	<u>164,492</u>	<u>157,987</u>	<u>145,670</u>	<u>137,219</u>	<u>137,161</u>	<u>129,074</u>	<u>111,952</u>	<u>118,052</u>	<u>109,808</u>	<u>98,122</u>
Total primary governmental revenues	<u>\$ 267,922</u>	<u>\$ 261,263</u>	<u>\$ 271,553</u>	<u>\$ 285,037</u>	<u>\$ 276,829</u>	<u>\$ 274,619</u>	<u>\$ 264,197</u>	<u>\$ 249,154</u>	<u>\$ 245,787</u>	<u>\$ 224,285</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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Government-type activities										
General government	\$ 23,241	\$ 29,937	\$ 35,031	\$ 28,807	\$ 21,651	\$ 25,421	\$ 28,464	\$ 28,673	\$ 27,059	\$ 27,250
Public service	68,533	67,217	55,070	34,715	48,606	54,469	56,085	57,508	53,562	52,891
Public safety	199,620	177,419	173,274	165,810	164,396	157,436	157,024	170,767	163,334	158,499
Public utilities	3,880	3,753	1,876	1,268	493	2	139	167	106	46
Community environment	23,550	21,427	20,090	37,867	27,058	32,543	19,634	18,915	20,230	20,589
Health	7,410	9,743	9,265	19,197	18,012	16,966	17,569	19,104	16,773	18,207
Parks and recreation	6,388	6,702	6,443	5,419	5,396	6,139	6,933	7,397	15,047	7,563
Interest and fiscal charges	16,676	7,460	8,003	11,762	14,332	12,060	12,442	14,731	10,368	7,833
Total governmental activities expenses	349,298	323,658	309,052	304,845	299,944	305,036	298,290	317,262	306,479	292,878
Business-type activities										
Water	56,417	53,472	46,912	41,997	41,495	39,138	36,556	36,708	38,388	34,324
Sewer	58,407	63,174	51,310	67,507	64,705	56,888	49,974	50,484	47,329	44,464
Storm utility	6,673	6,358	6,801	11,291	8,005	4,968	5,191	5,331	6,168	6,883
Utility administration	11,204	12,176	11,285	7,067	10,608	9,876	10,185	10,048	10,647	9,898
Parking	-	-	-	-	644	820	934	962	946	1,040
Property management	678	970	895	1,286	1,691	1,691	1,949	5,111	1,930	2,010
Small business development	57	52	63	78	380	380	76	42	41	77
Toledo public power	662	747	567	138	-	-	-	-	-	-
Tow lot	1,055	1,056	963	911	986	986	1,229	1,141	1,087	1,169
Erie Street Market	75	109	48	124						
Total business-activities expenses	135,228	138,114	118,844	130,399	128,514	114,747	106,094	109,827	106,536	99,865
Total primary government expenses	\$ 484,526	\$ 461,772	\$ 427,896	\$ 435,244	\$ 428,458	\$ 419,783	\$ 404,384	\$ 427,089	\$ 413,015	\$ 392,743

(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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities	\$ (245,868)	\$ (220,382)	\$ (183,169)	\$ (157,027)	\$ (163,464)	\$ (159,491)	\$ (146,045)	\$ (186,160)	\$ (170,500)	\$ (166,715)
Business-type activities	29,264	19,873	26,826	6,820	8,647	14,327	5,858	8,225	3,272	(1,743)
Total primary governmental revenue (expenses), net	<u>(216,604)</u>	<u>(200,509)</u>	<u>(156,343)</u>	<u>(150,207)</u>	<u>(154,817)</u>	<u>(145,164)</u>	<u>(140,187)</u>	<u>(177,935)</u>	<u>(167,228)</u>	<u>(168,458)</u>
General revenues and other changes in net position:										
Governmental activities:										
Income taxes	171,053	163,653	158,176	158,128	152,864	146,886	138,474	154,475	169,689	164,718
Property taxes	9,793	9,585	9,708	11,361	12,168	12,465	15,518	18,078	19,424	17,330
Unrestricted investments earnings	850	454	508	1,017	1,240	1,605	2,483	5,582	8,553	7,194
Grants and entitlements not restricted to specific programs	-	-	-	5,272	-	-	-	-	-	-
Intergovernmental services	24,536	26,740	2,215	-	-	-	-	-	-	-
Gain on sale of capital assets	-	167	87	-	859	-	-	-	-	-
Other revenue grants	5,640	10,534	8,728	4,789	4,707	4,572	6,928	14,469	2,297	2,190
Transfers	(724)	1,200	238	(289)	10,244	534	655	1,232	(291)	451
Total government activities	<u>211,148</u>	<u>212,333</u>	<u>179,660</u>	<u>180,278</u>	<u>182,082</u>	<u>166,062</u>	<u>164,058</u>	<u>193,836</u>	<u>199,672</u>	<u>191,883</u>
Business-type activities:										
Unrestricted investments earnings	1,078	1,818	1,132	937	1,092	781	899	4,064	6,460	6,488
Gain on sale of capital assets and	48	673	-	-	-	(6)	280	120	(5,657)	4,782
Other revenue grants	-	-	-	-	(6,836)	(6)	280	120	(5,657)	4,782
Transfers	724	(1,200)	(238)	289	(10,244)	(534)	(655)	(1,232)	291	(451)
Total business-type activities	<u>1,850</u>	<u>1,291</u>	<u>894</u>	<u>1,226</u>	<u>(15,988)</u>	<u>241</u>	<u>524</u>	<u>2,952</u>	<u>1,094</u>	<u>10,819</u>
Total primary governmental general revenues and other changes in net position	<u>212,998</u>	<u>213,624</u>	<u>180,554</u>	<u>181,504</u>	<u>166,094</u>	<u>166,303</u>	<u>164,582</u>	<u>196,788</u>	<u>200,766</u>	<u>202,702</u>
Changes in Net Position										
Governmental activities	(34,720)	(8,049)	(3,509)	23,251	18,618	6,571	18,013	7,676	29,172	25,168
Business-type activities	31,114	21,164	27,720	8,046	(7,341)	14,568	6,382	11,177	4,366	9,076
Total primary governmental net change	<u>\$ (3,606)</u>	<u>\$ 13,115</u>	<u>\$ 24,211</u>	<u>\$ 31,297</u>	<u>\$ 11,277</u>	<u>\$ 21,139</u>	<u>\$ 24,395</u>	<u>\$ 18,853</u>	<u>\$ 33,538</u>	<u>\$ 34,244</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 1,204	\$ 1,594	\$ 1,143	\$ 850	\$ 712	\$ 697	\$ -	\$ -	\$ -	\$ -
Restricted	4,771	5,317	5,420	5,406	5,376	5,320	-	-	-	-
Reserved	-	-	-	-	-	-	8,263	8,187	5,485	1,974
Unreserved	-	-	-	-	-	-	(16,283)	(3,796)	7,148	8,818
Unrestricted:										
Committed	1,948	1,553	326	326	-	-	-	-	-	-
Unassigned	2,255	1,331	1,088	(1,574)	(5,762)	(19,729)	-	-	-	-
Total general fund	<u>10,178</u>	<u>9,795</u>	<u>7,977</u>	<u>5,008</u>	<u>326</u>	<u>(13,712)</u>	<u>(8,020)</u>	<u>4,391</u>	<u>12,633</u>	<u>10,792</u>
Capital Improvement Fund										
Nonspendable	1,053	1,117	1,239	1,005	782	856	-	-	-	-
Restricted	21,607	18,023	18,062	43,191	34,896	23,379	-	-	-	-
Reserved	-	-	-	-	-	-	28,449	35,289	37,148	45,542
Unreserved	-	-	-	-	-	-	18,882	(8,220)	(7,385)	(9,615)
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Total capital improvement fund	<u>22,660</u>	<u>19,140</u>	<u>19,301</u>	<u>44,196</u>	<u>35,678</u>	<u>24,235</u>	<u>47,331</u>	<u>27,069</u>	<u>29,763</u>	<u>35,927</u>
Special Assessment Services Fund										
Nonspendable	4,074	3,956	1,743	2,864	1,438	1,807	-	-	-	-
Restricted	-	280	1,509	218	384	4,977	-	-	-	-
Reserved	-	-	-	-	-	-	2,827	2,784	2,039	2,578
Unreserved	-	-	-	-	-	-	(53,450)	(51,764)	(48,017)	(48,228)
Unrestricted:										
Unassigned	(64,667)	(61,144)	(54,046)	(53,293)	(53,153)	(56,328)	-	-	-	-
Total special assessment services fund	<u>(60,593)</u>	<u>(56,908)</u>	<u>(50,794)</u>	<u>(50,211)</u>	<u>(51,331)</u>	<u>(49,544)</u>	<u>(50,623)</u>	<u>(48,980)</u>	<u>(45,978)</u>	<u>(45,650)</u>
Nonmajor Governmental Funds										
Nonspendable	1,726	1,957	889	912	623	1,417	-	-	-	-
Restricted	23,213	23,403	25,080	19,876	18,699	8,961	-	-	-	-
Reserved	-	-	-	-	-	-	8,129	8,868	7,730	10,819
Unreserved	-	-	-	-	-	-	19,423	13,486	13,821	6,820
Unrestricted:										
Committed	10,114	15,559	13,993	12,462	12,542	13,179	-	-	-	-
Unassigned	(2,041)	(2,775)	(2,447)	(2,359)	(1,996)	(9,097)	-	-	-	-
Total nonmajor governmental funds	<u>33,012</u>	<u>38,144</u>	<u>37,515</u>	<u>30,891</u>	<u>29,868</u>	<u>14,460</u>	<u>27,552</u>	<u>22,354</u>	<u>21,551</u>	<u>17,639</u>
Total fund balance governmental funds	<u>\$ 5,257</u>	<u>\$ 10,171</u>	<u>\$ 13,999</u>	<u>\$ 29,884</u>	<u>\$ 14,541</u>	<u>\$ (24,561)</u>	<u>\$ 16,240</u>	<u>\$ 4,834</u>	<u>\$ 17,969</u>	<u>\$ 18,708</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, Governmental Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Income taxes	\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523	\$ 153,581	\$ 144,581	\$ 141,554	\$ 154,475	\$ 169,689	\$ 164,718
Property taxes	9,911	9,552	9,598	11,381	11,845	11,936	13,612	18,078	19,424	17,330
Special assessments	24,374	21,822	25,450	23,925	25,691	26,592	23,965	24,737	24,601	21,788
Licenses and permits	2,459	2,476	2,414	2,283	2,303	2,363	2,103	2,541	2,830	3,012
Intergovernmental services	35,953	35,358	38,020	37,589	38,861	76,659	89,942	72,285	78,710	79,957
Charges for services	28,515	27,532	28,130	27,249	27,987	24,347	21,516	21,104	17,364	15,081
Investment earnings	850	454	508	1,007	1,240	1,605	2,483	5,582	8,553	7,194
Fines and forfeitures	7,032	7,491	8,590	7,952	5,829	5,648	5,971	7,268	6,339	6,094
Grants	31,670	30,873	27,499	45,775	47,464	-	-	-	-	-
Other revenue	5,485	10,104	8,505	4,538	4,544	4,277	8,653	2,521	3,325	1,475
Total revenues	315,294	310,449	307,489	320,222	319,345	298,008	309,799	308,591	330,835	316,649
Expenditures:										
General government	25,925	26,951	28,465	17,392	15,923	15,844	18,024	19,007	17,589	18,160
Public services	43,866	41,760	35,062	34,660	36,599	34,834	35,432	37,589	33,788	34,216
Public safety	170,965	168,872	163,565	165,245	172,055	159,374	155,040	170,803	164,128	158,575
Public utilities	-	8	1	1	7	2	115	154	102	38
Community environment	21,070	20,969	19,273	27,799	26,047	31,079	18,017	18,078	18,926	19,281
Health	7,747	7,939	7,940	18,019	17,344	13,727	16,473	18,199	17,915	17,403
Parks and recreation	2,845	2,959	3,487	3,018	2,791	2,660	2,742	3,490	3,466	3,876
Capital outlay	40,235	41,991	53,174	48,647	20,740	44,303	50,835	49,179	57,883	61,690
Debt service:										
Principal	21,076	25,523	23,307	27,401	18,329	25,396	18,903	16,633	17,248	18,465
Interest	8,359	6,983	7,124	10,435	13,343	11,913	9,620	10,596	10,368	10,111
Debt issuance costs	-	219	-	-	-	-	-	-	-	-
Total expenditures	342,088	344,174	341,398	352,617	323,178	339,132	325,201	343,728	341,413	341,815
Excess of revenues over (under) expenditures	(26,794)	(33,725)	(33,909)	(32,395)	(3,833)	(41,124)	(15,402)	(35,137)	(10,578)	(25,166)
Other financing sources (uses):										
Transfers in	67,122	72,899	70,140	73,235	76,615	63,947	53,893	47,280	55,673	52,718
Transfers out	(67,846)	(71,699)	(69,902)	(73,524)	(63,921)	(63,414)	(65,903)	(46,989)	(56,709)	(52,852)
Issuance of debt	26,044	22,884	14,046	41,455	763	19,933	34,277	20,528	10,923	27,551
Premium (discount) on bond	2,784	1,972	884	1,498	89	171	3,763	482	114	672
Inception of capital lease	4,540	948	3,386	3,001	231	-	-	-	-	-
Payments to escrow	(10,181)	-	-	-	-	-	-	-	-	-
Sale of capital assets	1	167	87	-	12,129	101	746	26	11	43
Total other financing sources (uses)	22,464	27,171	18,641	45,665	25,906	20,738	26,776	21,327	10,012	28,132
Net change in fund balance	\$ (4,330)	\$ (6,554)	\$ (15,268)	\$ 13,270	\$ 22,073	\$ (20,386)	\$ 11,374	\$ (13,810)	\$ (566)	\$ 2,966
Debt services as a percentage of noncapital expenditures	9.0%	10.4%	10.6%	12.3%	11.7%	14.5%	11.6%	10.2%	10.8%	11.4%

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Income taxes	\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523	\$ 153,581	\$ 144,581	\$ 141,554	\$ 154,475	\$ 169,689	\$ 164,718
Property taxes	9,911	9,552	9,598	11,381	11,845	11,936	13,612	18,078	19,424	17,330
Special assessments	24,374	21,822	25,451	23,925	25,691	26,592	23,965	24,737	24,601	21,788
Licenses and permits	2,459	2,476	2,414	2,283	2,303	2,363	2,103	2,541	2,830	3,012
Intergovernmental services	35,953	35,358	38,020	37,589	40,371	42,521	89,942	72,285	78,710	79,957
Charges for services	28,515	27,532	28,130	27,249	27,987	24,347	21,516	21,104	17,364	15,081
Investment earnings	850	454	508	1,007	856	1,605	2,483	5,582	8,553	7,194
Fines and forfeitures	7,032	7,491	8,590	7,952	5,829	5,648	5,971	7,268	6,339	6,094
Grants	31,670	30,873	27,859	45,775	46,563	34,138	-	-	-	-
Other revenue	5,485	10,104	8,505	4,538	5,101	4,277	8,660	2,521	3,325	1,475
Total	\$ 315,294	\$ 310,449	\$ 307,850	\$ 320,222	\$ 320,127	\$ 298,008	\$ 309,806	\$ 308,591	\$ 330,835	\$ 316,649

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Withholding	\$ 145,346	\$ 139,396	\$ 131,343	\$ 128,215	\$ 129,855	\$ 124,108	\$ 122,927	\$ 132,948	\$ 141,583	\$ 139,805
Utility	-	-	10	1,867	321	589	891	1,542	1,863	783
Business	16,330	18,898	19,710	19,956	15,468	13,051	11,872	14,353	19,331	17,443
Individuals	7,369	6,493	7,712	8,485	7,937	6,833	5,864	5,632	6,912	6,687
Total	\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523	\$ 153,581	\$ 144,581	\$ 141,554	\$ 154,475	\$ 169,689	\$ 164,718

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 Value to Total Estimated Actual Value	Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2015	3,039,205	8,683,443	161,170	644,680	-	-	3,200,375	9,328,123	34.3%	4.4
2014	3,060,991	8,745,689	150,560	602,241	-	-	3,211,551	9,347,930	34.4%	4.4
2013	3,096,886	8,848,246	135,379	541,516	-	-	3,232,265	9,389,762	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

*The Tangible Personal Property tax was completely phased out after 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)

<u>Overlapping Subdivisions</u>	Tax Collection Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City of Toledo										
General Fund	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Sub-Total - Toledo City	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Regional Transit	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Port Authority	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Lucas County	17.07	16.92	15.07	14.07	14.07	14.07	14.07	13.90	13.90	12.75
MetroParks	2.30	2.30	2.30	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Toledo-Lucas County Public Library	2.90	2.90	2.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sub-Total District Wide	29.57	29.42	27.57	25.07	25.07	25.07	25.07	24.90	24.90	23.75
¹School Districts in the City of Toledo										
Maumee City School District	88.75	84.95	84.55	84.65	79.45	79.45	75.25	76.25	76.50	75.75
Ottawa Hills Local School District	142.65	142.65	135.65	134.75	133.05	126.05	125.85	126.15	120.85	120.35
Springfield Local School District	74.75	75.15	75.15	75.05	75.05	70.85	70.85	70.85	70.85	67.35
Sylvania City School District	83.50	83.60	83.60	83.00	78.30	67.70	66.90	66.90	67.10	67.35
Toledo City School District	73.10	67.40	67.40	65.90	67.70	67.70	67.70	62.80	62.80	62.80
Washington Local School District	83.50	78.60	78.60	78.60	73.70	73.70	73.70	69.80	69.80	69.80
²Penta County Career Center										
	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
³Recreation Districts in Sylvania Schools; Toledo, Ohio										
Sylvania Joint Recreation District.	2.10	2.10	2.10	1.65	1.65	1.62	1.62	1.20	1.20	1.15
Olander Park	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Sub-Total Recreation Districts	2.80	2.80	2.80	2.35	2.35	2.32	2.32	1.90	1.90	1.85
Total Rate with Corresponding School District										
Maumee City School District	121.52	117.57	115.32	112.92	107.72	107.72	103.52	104.35	104.60	102.70
Ottawa Hills Local School District	172.22	172.07	163.22	159.82	158.12	151.12	150.92	151.05	145.75	144.10
Springfield Local School District	107.52	107.77	105.92	103.32	103.32	99.12	99.12	98.95	98.95	94.30
Sylvania City School District	115.87	115.82	113.97	110.42	105.72	95.09	94.29	93.70	93.90	92.95
Toledo City School District	102.67	96.82	94.97	90.97	92.77	92.77	92.77	87.70	87.70	86.55
Washington Local School District	113.07	108.02	106.17	103.67	98.77	98.77	98.77	94.70	94.70	93.55

¹The Toledo City School District and the Washington Local School District are located entirely within the City of Toledo. Other school districts overlap with but are only partially located in Toledo.

²The Penta County Career Center serves and is included as part of the tax rate in the Maumee City School District and the Springfield Local School District.

³The Sylvania Joint Recreation District and Olander Park are located in the same taxing district as Sylvania City Schools in the City of Toledo

Table 9
City of Toledo, Ohio
Top 75 Income Tax Withholding Agents by Industry
Last Ten Fiscal Years
(amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Nonprofit	\$ 14,835	\$ 14,155	\$ 12,870	\$ 14,674	\$ 13,405	\$ 14,092	\$ 14,825	\$ 14,174	\$ 10,040	\$ 10,013
Hospital	8,579	8,293	9,751	9,333	13,159	12,494	13,484	9,077	12,302	12,196
Manufacturing	22,910	21,799	18,242	14,887	16,576	15,211	11,706	15,934	20,101	22,702
Government	8,555	8,390	9,137	10,156	10,078	10,107	10,276	10,723	10,497	10,219
Services	16,964	16,242	13,897	13,071	9,960	6,872	8,140	10,984	14,672	10,408
Retail	1,346	1,389	1,166	1,452	1,266	1,184	1,375	943	1,027	1,750
Banking	897	1,109	1,212	1,080	969	911	907	1,009	1,207	1,263
Grocery	723	740	775	819	732	751	766	1,442	1,404	1,349
Transportation	440	423	392	548	385	348	563	367	356	328
Technology	-	-	-	-	343	356	411	1,447	-	-
Construction	-	-	-	-	-	-	-	-	225	413
Total	<u>\$ 75,249</u>	<u>\$ 72,540</u>	<u>\$ 67,442</u>	<u>\$ 66,020</u>	<u>\$ 66,873</u>	<u>\$ 62,326</u>	<u>\$ 62,453</u>	<u>\$ 66,100</u>	<u>\$ 71,831</u>	<u>\$ 70,641</u>

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

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
2015	\$ 14,110	\$ 12,660	89.7%	\$ 1,151	\$ 13,811	97.9%
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%

Source: Lucas County Auditor

Table: 11
City of Toledo, Ohio
Ratios of Outstanding Debt by Type¹
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			
2015	\$ 129,112	\$ 40,100	\$ 44,191	\$ 279,263	\$ 17,651	\$ 16,915	\$ 385,748	\$ 120	913,100	3.7%	1,503
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

Notes: ¹Information regarding outstanding debt can be found in Notes 7 & 8 of the financial statements.

²Table 16 contains personal income and per capita data.

Table: 12
City of Toledo, Ohio
Ratio of Net General Bonded Debt to Assessed Value¹
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

(amounts expressed in thousands, except population, per capita, and %)

Fiscal Year	Population¹	Assessed Value²	Gross General Obligation Bonded Debt	Less Balance in Debt Service Fund³	General Bonded Debt²	Net Bonded Debt to Assessed Value	Bonded Debt Per Capita
2015	279,789	3,200,375	141,852	(994)	146,027	4.4%	521.92
2014	281,031	3,211,551	141,120	-	141,120	4.4%	502.15
2013	287,208	3,232,265	142,560	-	142,560	4.4%	496.37
2012	287,208	3,753,096	142,184	-	142,184	3.8%	495.06
2011	287,208	3,805,777	143,832	(190)	143,642	4.0%	500.13
2010	287,208	3,862,842	152,563	(118)	152,445	3.5%	530.78
2009	313,619	4,297,595	136,904	(90)	136,814	3.1%	436.24
2008	313,619	4,592,047	131,821	(58)	131,763	2.8%	420.14
2007	313,619	4,813,232	126,683	(45)	126,638	2.7%	403.80
2006	313,619	4,369,616	128,474	(38)	128,436	2.9%	409.53

¹Source: U.S. Bureau of the Census.

²Personal Property values were completely phased out after 2010.

³Toledo pays general bonded debt service from current income tax revenues.

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2015
(amounts expressed in thousands)

	<u>Amount of Debt</u>	<u>Applicable To City</u>	<u>City's Share</u>
Total direct debt	\$ 122,820	100.0%	\$ 122,820
Subdivision overlapping debt: **			
Toledo City School District	134,865	98.9%	133,435
Lucas County	13,777	45.4%	6,255
Sylvania City School District	86,720	7.6%	6,582
Maumee City School District	28,470	10.5%	2,986
Springfield Local School District	5,855	9.3%	543
Sylvania Area Joint Recreation Dist	7,486	7.6%	568
Ottawa Hills Local School District	525	0.1%	1
Total subdivision overlapping debt	<u>277,698</u>		<u>150,370</u>
Total direct and overlapping debt	<u>\$ 400,518</u>		<u>\$ 273,190</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 the Ohio Constitution and the Ohio Revised Code.

** Source: Ohio Municipal Advisory Council

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 336,039	\$ 336,039	\$ 356,648	\$ 339,388	\$ 394,075	\$ 399,607	\$ 405,598	\$ 451,247	\$ 482,165	\$ 505,389
Total net debt applicable to limit	<u>154,234</u>	<u>143,540</u>	<u>141,120</u>	<u>145,180</u>	<u>138,879</u>	<u>143,832</u>	<u>152,563</u>	<u>136,904</u>	<u>131,821</u>	<u>126,683</u>
Legal debt margin	<u>\$ 181,805</u>	<u>\$ 192,499</u>	<u>\$ 215,528</u>	<u>\$ 194,208</u>	<u>\$ 255,196</u>	<u>\$ 255,775</u>	<u>\$ 253,035</u>	<u>\$ 314,343</u>	<u>\$ 350,344</u>	<u>\$ 378,706</u>
Total net debt applicable to limit as a percentage of legal debt margin	84.83%	74.57%	65.48%	74.75%	54.42%	56.23%	60.29%	43.55%	37.63%	33.45%

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							
2015	\$ 63,323	\$ 39,164	\$ 24,159	\$ 22,272	\$ 12,541	\$ 34,813	0.7
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
Sewer Revenue Bonds							
2015	\$ 70,640	\$ 31,456	\$ 39,184	\$ 2,770	\$ 1,595	\$ 4,365	9.0
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

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)				
2015	279,789	24,684,223	33,485	34.9	38,959	5.4%
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%

Sources: U.S. Bureau of Economic Analysis
U.S. Bureau of Labor Statistics

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
As of December 31, 2015 and December 31, 2006

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>of Total MSA Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>of Total MSA Employment</u>
Promedica Health Systems	13,500	1	4.11%	11,265	1	3.43%
The University of Toledo and Medical Center	5,161	2	1.57%	5,459	2	1.66%
Fiat Chrysler	5,158	3	1.57%	4,090	6	1.25%
Mercy Health Partners	4,693	4	1.43%	6,723	3	2.05%
Lucas County	3,455	5	1.05%	4,168	5	1.27%
Toledo City School District	3,352	6	1.02%	4,554	4	1.39%
General Motors Corp./GM Powertrain Division	3,092	7	0.94%	-		0.00%
The City of Toledo	2,714	8	0.83%	2,981	8	0.91%
Wal-Mart	2,120	9	0.65%			0.00%
The Kroger Company	2,056	10	0.63%	3,503	7	1.07%
The Andersons	1,843		0.56%	-		0.00%
Meijer	1,684		0.51%	-		0.00%
State of Ohio	1,300		0.40%			0.00%
Owens Corning	1,201		0.37%	-		0.00%
Total	<u>51,329</u>		<u>15.64%</u>	<u>42,743</u>		<u>13.02%</u>

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 Functional Area
***Last Ten Fiscal Years**

Function/Program	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Government:</u>										
Board of Community Relations	2	2								
City Council	21	21								
Diversity & Inclusion	4	6								
Finance	67	71								
Fleet and Facilities	81	85								
Human Resources	17	17								
Info/Communications Tech	12	12								
Law	22	23								
Office of Mayor	10	10								
Subtotal General Government	236	247	263	420	428	423	327	343	350	342
<u>Public Service:</u>										
Streets, Bridges, and Harbor	172	164								
Transportation	43	47								
Subtotal Public Service	215	211	236	374	381	377	427	430	436	447
<u>Public Safety</u>										
Uniformed Fire	523	517								
Fire Civilian	92	99								
Subtotal Fire	615	616								
Clerk of Municipal	81	81								
Municipal Court (Judges)	103	104								
Uniformed Police	628	612								
Police - Civilians	58	59								
Subtotal Police	686	671								
Subtotal Safety	1,485	1,472	1,518	1,138	1,160	1,152	1,191	1,270	1,326	1,345
<u>Public Utilities:</u>										
Engineering Services	59	64								
Environmental Services	44	44								
Sewer and Drainage	104	113								
Utilities Administration	76	66								
Water Distribution	125	130								
Water Reclamation	102	105								
Water Treatment	85	80								
Subtotal Public Utilities	595	602	641	552	563	564	575	578	597	587
<u>Community Environment:</u>										
Building Inspection	20	19								
Economic Development	4	6								
Neighborhoods	61	63								
Plan Commission	10	9								
Subtotal Com Environment	95	97	101	80	82	79	81	84	85	86
<u>Parks and Recreation:</u>										
Parks, Forestry, & Recreation	67	76	63	64	65	63	64	75	81	76
<u>Health:</u>										
Waste Disposal	14	14								
Totals	<u>2,707</u>	<u>2,719</u>	<u>2,822</u>	<u>2,628</u>	<u>2,679</u>	<u>2,658</u>	<u>2,665</u>	<u>2,780</u>	<u>2,875</u>	<u>2,883</u>

*Detailed information prior to 2014 is unavailable.

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Building permits	4,162	3,446	3,192	3,492	3,631	4,984	4,260	5,055	5,537	6,492
Value of permits (in thousands)	355,428	162,718	101,687	140,436	297,612	168,415	138,153	196,578	146,514	276,746
Total board-ups	858	1,325	1,152	1,594	774	748	704	710	664	931
Total demolitions	404	265	726	382	412	325	300	300	312	285
Police										
Traffic citations	49,165	54,855	59,345	50,418	41,990	23,895	21,966	55,694	60,786	52,331
Red light cameras	44,621	54,021	63,574	71,664	27,166	20,008	19,681	18,142	24,104	18,512
Number of offenses	8,183	8,726	9,278	11,944	13,194	35,568	36,433	22,738	23,826	26,534
911 call volume	213,987	213,789	225,677	443,697	438,287	389,112	389,112	392,969	406,101	430,523
Non-emergency calls	69,783	84,768	87,298	93,843	91,373	87,412	87,412	101,882	111,755	114,065
Fire										
Emergency runs	52,059	48,709	47,458	48,949	47,112	41,154	42,639	40,003	41,135	38,630
Fire runs	6,839	6,713	6,307	6,930	7,274	6,958	6,812	10,346	7,533	7,550
Total runs	58,898	55,422	53,765	55,879	54,386	48,112	49,451	50,349	48,668	46,180
Other public works										
Traffic signs manufactured/installed	15,321	13,081	13,938	13,000	29,879	29,879	29,879	31,491	32,508	26,936
Energy reduction (traffic signals)	3.5%	9.0%	8.0%	88.0%	17.9%	17.9%	17.9%	17.8%	17.1%	13.1%
Traffic signals replaced	288	336	320	301	358	324	386	458	122	81
Traffic signal calls	4,026	4,136	4,200	1,044	5,612	5,648	5,867	6,125	6,731	6,823
Energy										
Electric customers - Toledo Edison Company	308,000	308,142	308,175	308,000	305,000	305,000	310,000	310,000	307,000	307,000
Natural gas customers - Columbia Gas of Ohio, Inc.	112,000	112,000	112,000	105,614	171,000	171,000	172,000	173,000	176,715	178,500
Water										
New connections	149	198	257	220	715	725	618	622	584	791
Water main breaks	297	377	402	365	300	315	306	333	448	203
Average daily consumption (millions of gallons)	69.3	78.0	78.0	120.0	78.0	75.8	76.6	76.6	80.7	80.8
Wastewater										
Average daily treatment (millions of gallons)	67.9	72.5	62.1	70.0	71.0	70.7	71.4	75.9	70.9	76.4

Source: Various city departments

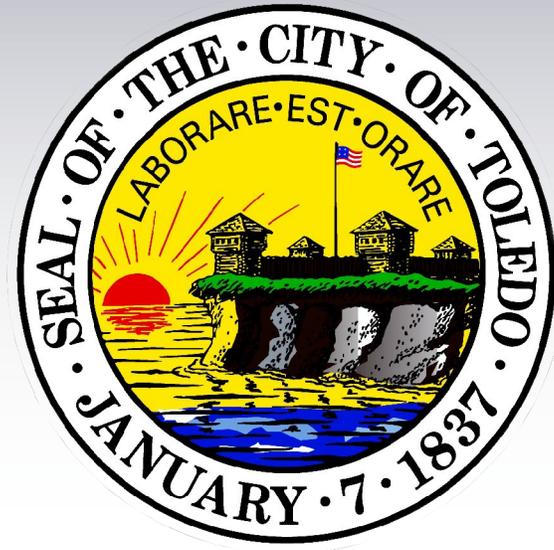
Table 20
City of Toledo, Ohio
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/ Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Number of stations	3	3	2	3	3	3	2	2	3	3
Number of substations	1	1	1	2	2	1	2	3	3	3
Number of employees with arrest power	616	612	648	582	578	566	583	637	667	688
Number of neighborhood offices	-	-	-	4	4	4	3	7	7	7
Fire Division										
Number of stations	19	18	18	18	18	17	17	17	17	17
Number of firefighters	514	517	541	502	489	482	462	478	484	525
Other public works										
Streets (in miles)	1,224	1,224	1,139	1,139	1,123	1,123	1,122	1,122	1,122	1,122
Rail (in miles)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Medical										
Number of hospitals	4	4	4	4	4	4	4	4	4	4
Number of beds	1,605	1,635	1,750	1,689	1,681	1,673	1,661	1,716	1,684	1,839
Parks & recreation										
Acreage	2,185	2,185	2,177	2,687	2,368	2,368	2,368	2,368	2,368	2,368
Number of parks	144	144	145	145	145	145	145	145	145	145
Number of Tree Cuts	2,799									
Public pools	9	10	10	11	12	12	12	12	12	12
*Golf courses	4	16	16	16	16	16	16	16	16	16
Water										
Water lines (in miles)	1,168	1,168	1,165	1,188	1,165	1,165	1,165	1,165	1,165	1,150
Storage capacity (in millions of gallons)	94	78	78	80	78	78	78	78	78	78
Plant capacity (in millions of gallons)	120	150	150	150	150	150	150	150	150	150
Wastewater										
Sanitary sewers (in miles)	961	961	961	955	960	960	960	960	960	960
Treatment capacity (in millions of gallons)	130	102	102	102	102	102	102	102	102	102

Source: Various city departments

*Currently the City owns four but they are operated by lease agreements with outside entity

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MAYOR**

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