

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



PREPARED BY:

DEPARTMENT OF FINANCE

PATRICK MCLEAN, FINANCE DIRECTOR

INTRODUCTORY SECTION

City of Toledo, Ohio
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2010

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INTRODUCTORY SECTION

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City of Toledo, Ohio

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CITY OF TOLEDO



Michael P. Bell
Mayor

Patrick A. McLean
Director of Finance

August 19, 2011

Honorable Mayor Michael P. Bell, Wilma Brown, President
and Members of City Council and Citizens of the City of Toledo, Ohio

As Director of Finance of the City of Toledo, Ohio, I am pleased to present the comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010.

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 accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental 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 control 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 Cincinnati, Ohio has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

This transmittal letters 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 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.

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 east 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 |

In conformity with the provision of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, all governmental departments, agencies, institutions, commissions, public authorities, and other governmental organizations, for which the City has significant accountability, are included in this CAFR for financial reporting purposes. Financial accountability is determined by the City’s financial interdependence. The reporting entity of the City includes the following services as authorized by its charter: public safety, highways and street, water and sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The City and the Toledo Metropolitan Statistical Area (MSA) have diverse economies in both their manufacturing and their increasingly important service sectors. Within the Toledo MSA are manufacturers of automobiles and automotive parts, glass, wood products, grain and food products, petroleum, chemicals, machinery, tools, rubber products, plastics and die castings. 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 2010 Fortune 500 corporation, has its headquarters in the City, and two other of the 2010 Fortune 500 corporations, Dana Holding Corporation and Owens-Illinois, Inc., have their corporate headquarters in the Toledo MSA.

The University of Toledo (including its Medical Center) is the second largest employer in the Toledo MSA. Both the University’s Main Campus and its Medical Campus are located within the City. In addition to the training and education provided to students, the research programs at the University result in and support the creation of new medical and high-technology enterprises.

The ProMedica Health System and Mercy Health Partners, which operate health care systems, are the two of the three largest employers in the Toledo MSA. These systems have been aggressively expanding and improving their facilities and property holdings within the City.

In 2009, the County completed construction of a new \$105 million arena, now known as the Huntington Center, in the Downtown area of the City near the County's SeaGate Convention Centre and Fifth Third Field. The Huntington Center is being used for more than 100 events each year, including concerts and such athletic events as minor league hockey games, and to attract visitors and promote additional development in the Downtown area. The construction of the Huntington Center was financed from a variety of sources, including grants from the State and other governmental entities, revenues from naming rights and premium seating and proceeds of County securities.

The City, the County and the Toledo MSA have become a center for research, development and commercialization of advanced solar energy technologies, building on glass-making expertise and thin-film and nanomaterials research and development efforts for photovoltaic applications, attracting coverage from The Economist, The Wall Street Journal and Newsweek and attention from investors around the world. With more than \$48 million in grants from the Ohio Department of Development, federal agencies, industrial partners and other universities, The University of Toledo has established a Center for Photovoltaics Innovation and Commercialization. Through its Third Frontier Program, the State has also provided direct grants to small companies in the region to stimulate the growth of this new industrial cluster.

The Toledo Regional Growth Partnership has estimated that more than 5,000 jobs in solar energy have been created in the Toledo MSA over the last six years. The only North American manufacturing facility for publicly traded First Solar Inc., now the world's largest manufacturer of solar photovoltaic panels, is located in the Toledo MSA in the City of Perrysburg, just south of the City. In 2010, First Solar completed a 500,000-square-foot addition to that facility and raised its employment at the facility to 1,100. That facility continues to serve as First Solar's primary hub for engineering, research and development. In 2007, Xunlight Corporation, a technology spin-off started by a University professor, began the development, marketing, and production of thin-film photovoltaic panels on flexible substrates that convert sunlight into electricity. Xunlight, which is located in the City, has received more than \$40 million in venture capital investment from private investors and a \$4.97 million grant from the State through its Third Frontier program to support new fabrication and manufacturing technologies. Xunlight currently employs 60 workers at its manufacturing facility in the MSA.

The City, in concert with the County, the Port Authority, the Toledo Regional Growth Partnership and the State, has been active in promoting industrial and commercial development in the City and the Toledo MSA, providing financing information, marketing programs and, in some cases, infrastructure improvements, grants and other incentives designed to encourage economic development and the creation and retention of jobs. Among the notable results from those activities in recent years have been the following:

- In March 2011, Dashing Pacific Group, LLC purchased from the City for \$2.15 million approximately six acres of commercial property along the east bank of the Maumee River known as "The Docks". Dashing Pacific plans to redevelop the restaurant and entertainment complex on that property and has commenced work on renovations for that purpose. In May 2011, the City Council approved an agreement for the sale of an additional 69 acres in the adjacent Marina District to Dashing Pacific Group, LLC for \$3.8 million for an estimated \$200 to \$300 million redevelopment project expected to include retail, office and multi-family residential elements. The agreement also provides Dashing Pacific a two-year option to purchase an additional 22.75 acres at \$55,000 per acre and an option for the City to repurchase the property at \$55,000 an acre if its is not developed within five years.
- In 2011, the City, in cooperation with the Toledo-Lucas County Port Authority, secured the purchase and grant funding to remediate a brownfield site that was the location of a former Jeep manufacturing plant. This project will make available 125 acres suitable for future industrial development. The site is located near Chrysler's Toledo North Plant and South Plant manufacturing complex, with ready access to Interstate Highways and other important transportation facilities.

- In May 2011, General Motors Co. announced its intention to invest \$204 million in its GM Powertrain Division's Alexis Road transmission plant in the City to prepare it for production of fuel-efficient eight-speed transmissions for upcoming projects. This is the third major investment General Motors has made in that plant in the past five years. In 2007, GM completed a major capital improvement project at the plant to prepare it for the production of a new six-speed, rear-wheel drive automatic transmission. The plant improvements in that project included \$100 million for a 400,000-square-foot expansion and renovation of existing facilities and \$363 million for new machinery, equipment and special tooling. Thereafter, it invested an additional \$332 million at that plant to prepare it for production of a new six-speed front-wheel drive automatic transmission. Those transmissions are now being used in a variety of GM vehicles. The State and the City provided certain grants and tax incentives to General Motors in connection with these projects.
- In 2011, Penn National Gaming, Inc. began construction of the \$250 million "Hollywood Casino Toledo" on a remediated brownfield site in the City, as authorized by an amendment to the Ohio Constitution approved by the voters on November 3, 2009. The facility, which is located adjacent to I-75 at the Miami Street exit is projected to open the first quarter 2012. The 125,000-square-foot facility will feature up to 3,000 slot machines, 80 game tables and 20 poker tables, a 2,500-parking-space garage, as well as food and beverage outlets and an entertainment lounge. Penn National and its affiliates operate sixteen gaming facilities in seven states and the Province of Ontario in Canada and several race tracks. Penn National has estimated that 1,000 temporary jobs will be created during the ongoing construction of the facility and a substantial number of permanent jobs will be created upon its completion. Under the provisions of the Constitutional amendment, the gross revenues of the casino are to be taxed at a rate of 33%, with the proceeds distributed to local governments. The City estimates that it will receive approximately \$10.3 million annually from that tax after operations begin. In addition, the City will collect local income taxes from the casino employees and receive a share of the ad valorem property taxes on the new facility.

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 2010, Norfolk Southern Railway secured the funding and required permits to begin construction of a \$12.76 million project to improve facilities at its intermodal transportation yard in the City, known as "Airline Junction". The City has secured a \$6.5 million ARRA grant and a \$2.5 million loan (convertible to a grant if budget and job creation targets are met) from the Ohio Department of Development to provide a portion of the financing for the project. Norfolk Southern is providing \$4.0 million toward the project. Construction is scheduled to begin in the spring 2011 and to be completed late 2012. The project is estimated to result in the creation of in excess of 800 jobs and additional industrial development in the Toledo MSA. Norfolk Southern operates the most extensive intermodal network in the eastern United States and is North America's largest rail carrier of metals and automotive products.
- In 2008, the City and the State reached agreement with HCR Manor Care to maintain and expand its headquarters in downtown Toledo. The project has resulted in the retention of approximately 700 positions and created over 75 new positions within the headquarters building and additional leased space. As part of this project, HCR Manor Care acquired ownership of its headquarters building.
- In 2007, Mercy Health Partners completed a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The Medical Center is Mercy Medical Partners' largest facility. The project included construction of a four-story, \$45 million Heart Center Pavilion and \$45 million in renovations in the main hospital building. The expansion resulted in the creation of more than 60 permanent jobs at the Center.

- In 2007, Chrysler LLC (now Chrysler Group LLC), one of the largest manufacturing employers in the City, completed the second major expansion and improvement project at the Toledo North and Toledo South Plant complex in the City to be undertaken since 1997. The initial project, completed in early 2001, involved the renovation and expansion of the Plant into a 1.1-million-square-foot manufacturing facility, part of an estimated \$1.2 billion capital program in the City begun by DaimlerChrysler in 1997. The second project, undertaken in cooperation with three of its suppliers, involved the construction of a \$900 million, three-million-square-foot manufacturing complex adjacent to the Toledo North Plant. The suppliers were provided approximately one-third of the cost of the complex in return for receiving 14-year supply contracts. The City, the State and the Port Authority all provided substantial incentives and assistance in connection with these projects. See City Debt and Other Long-Term Obligations – Economic Development Obligations for information concerning City obligations incurred in support of the two projects.
- The ProMedica Health System is implementing a comprehensive plan to replace, renovate and expand facilities on its Toledo Hospital medical center campus in two phases over a five- to ten-year period that began in 2005. The first phase, a \$200 million expansion, included operating rooms, diagnostic areas, intensive care units and patient rooms. The second phase, opened in 2007, included a 10-story 500,000-square-foot tower that houses the clinical areas of the Toledo Hospital and Toledo Children’s Hospital, including the surgical intensive care unit, adult intermediate care units, newborn intensive care unit (NICU), general pediatrics and pediatric hematology/oncology.

ACCOUNTING SYSTEMS

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

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

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

INTERNAL CONTROLS

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

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FIANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This is the twenty-seventh 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

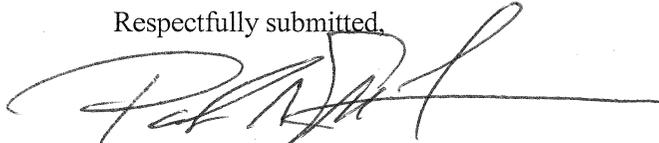
A Certificate of Achievement is valid for a period of one year only. We believe that our current year comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Patrick A. McLean', with a long horizontal flourish extending to the right.

Patrick A. McLean
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Toledo
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

City of Toledo, Ohio
List of Principal Officials

Mayor

Michael P. Bell

Members of Council

| | <u>Length of Service</u> |
|--|---------------------------------|
| <u>At-Large Seats</u> | |
| Philip Copeland | Six Years |
| Rob Ludeman | Two Years |
| Joe McNamara | Five Years |
| George Sarantou | Nine Years |
| Adam Martinez | Two Years |
| Steven Steel | Two Years |
| <u>District Seats</u> | |
| Wilma D. Brown (West-Central), President | Thirteen Years |
| D. Michael Collins (South-West) | Three Years |
| Michael Craig (East Toledo-Historic South) | Five Years |
| Michael Ashford (Central City) | Nine Years |
| Tom Waniewski (North-West) | Three Years |
| Lindsey Webb (North Toledo-Point Place) | Three Years |

Clerk of Council

Gerald Dendinger

Director of Finance

Patrick McLean

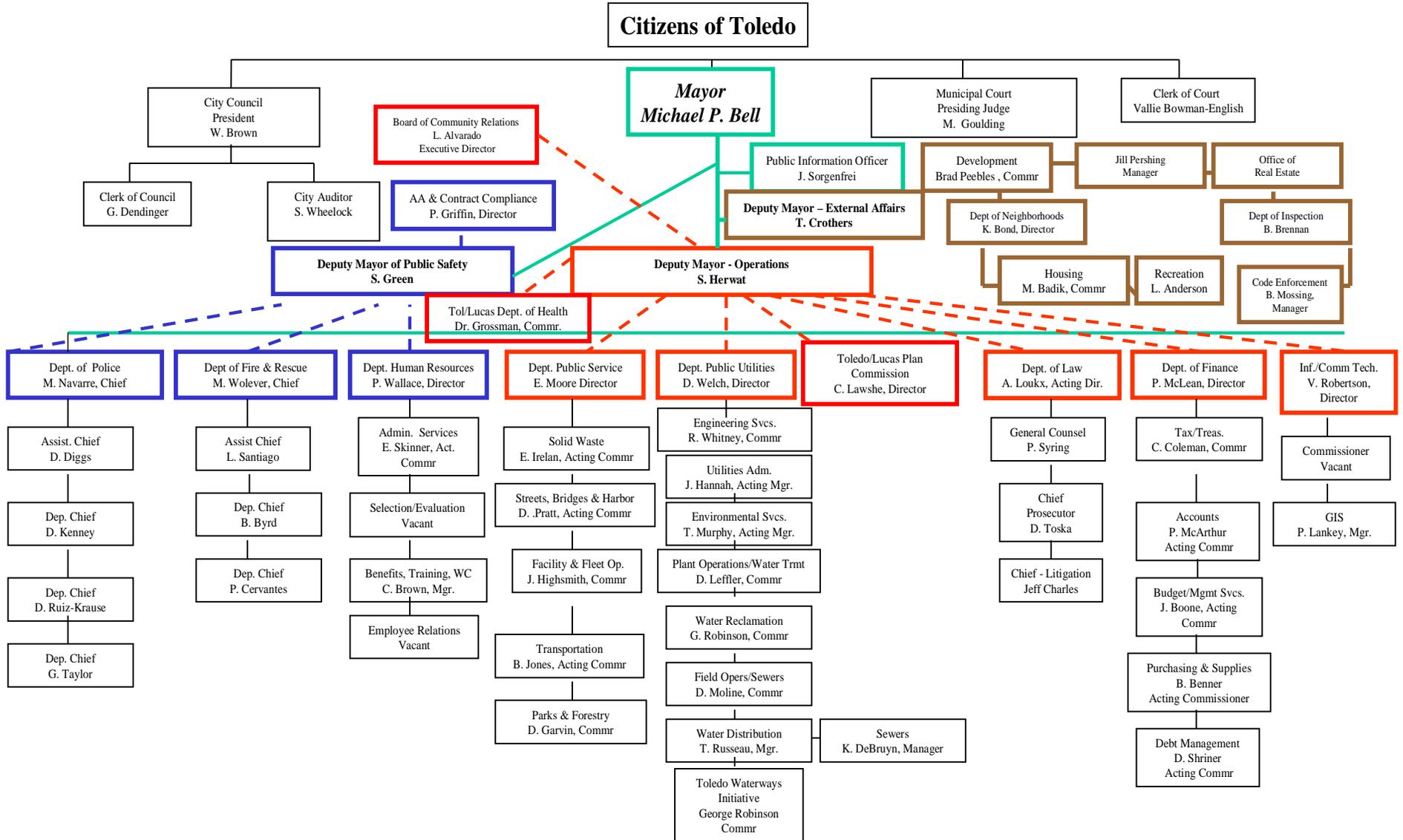
City Treasurer

Clarence Coleman

City Auditor

D. Scott Wheelock

City of Toledo Executive Management Team



City of Toledo, Ohio

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Toledo, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2011 on our consideration of the City of Toledo, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis and the budgetary comparison information on pages 19 through 30 and 91 through 94, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Toledo, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Harknett & Co.

Cincinnati, Ohio
August 19, 2011

City of Toledo, Ohio
Management's Discussion and Analysis
For the year ended December 31, 2010

As management of the City of Toledo (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, 2010. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2010 are as follow:

- The assets of the City exceeded its liabilities at the close of 2010 by \$848 million. Of this amount \$12 million is considered unrestricted. The unrestricted net assets of the City's business-type activities are \$7 and may be used to meet the on-going obligations of the business-type activities, including water, sewer, and nine nonmajor enterprise funds including storm water, utilities administrative services, parking, property management, small business development, municipal tow lot, marina operations, Erie Street Market and public power. The unrestricted net assets of the governmental activities are a fund balance of \$5 million.
- The City's total net assets increased \$21.1 million in 2010. Net assets of the governmental activities increased \$6.6 million, which represents a 1.6 percent increase from 2009. Net assets of the business-type activities increased \$14.6 million or 3.5 percent from 2009.
- The total cost of the City's programs increased \$15.4 million or 3.8 percent. The cost of governmental activities increased \$6.7 million or 2.3 percent, while the cost of business-type activities increased \$8.7 million or 8.2 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund deficit of \$5.0 million. The combined governmental funds fund deficit increased \$21.2 million from the prior year's ending fund balance.
- The City's total debt decreased by \$3.5 million during the current fiscal year.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the year ended December 31, 2010

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

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

The government-wide financial statements can be found on pages 33 and 34 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*.

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, aggregated 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 35 through 38 of this report.

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Proprietary funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer, and utility administrative services as well as parking, property management, small business development, tow lot, marina operating 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, data processing, risk management and worker's 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 provided separate information for water and sanitary sewer operations, both of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 39 through 41 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 42 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 85 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 fund budget. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 87 through 94 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 95 through 167 of this report.

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

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Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the City as a whole. The table below provides a summary of the City net assets at December 31, 2010 compared to December 31, 2009.

| | Net Assets | | | | | |
|--|----------------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | (amounts expressed in thousands) | | | | | |
| | Governmental activities | | Business type activities | | Total | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Assets | | (restated) | | | | (restated) |
| Current and other assets | \$ 216,516 | \$ 225,645 | \$ 102,759 | \$ 107,836 | \$ 319,275 | \$ 333,481 |
| Capital assets | 551,203 | 542,424 | 715,715 | 692,108 | 1,266,918 | 1,234,532 |
| Total assets | <u>767,719</u> | <u>768,069</u> | <u>818,474</u> | <u>799,944</u> | <u>1,586,193</u> | <u>1,568,013</u> |
| Liabilities | | | | | | |
| Long-term liabilities outstanding | 226,423 | 232,580 | 344,778 | 343,142 | 571,201 | 575,722 |
| Other liabilities | 119,519 | 120,277 | 47,100 | 44,774 | 166,619 | 165,051 |
| Total liabilities | <u>345,942</u> | <u>352,857</u> | <u>391,878</u> | <u>387,916</u> | <u>737,820</u> | <u>740,773</u> |
| Net Assets | <u>\$ 421,777</u> | <u>\$ 415,212</u> | <u>\$ 426,596</u> | <u>\$ 412,028</u> | <u>\$ 848,373</u> | <u>\$ 827,240</u> |
| Invested in capital assets, net of related debt | 343,145 | 346,314 | 388,160 | 327,984 | 731,305 | 674,298 |
| Restricted | 73,630 | 83,098 | 31,760 | 36,259 | 105,390 | 119,357 |
| Unrestricted | 5,002 | (14,200) | 6,676 | 47,785 | 11,678 | 33,585 |
| Total net assets | <u>\$ 421,777</u> | <u>\$ 415,212</u> | <u>\$ 426,596</u> | <u>\$ 412,028</u> | <u>\$ 848,373</u> | <u>\$ 827,240</u> |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by approximately \$848 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (86.2 percent) reflects its 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; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets.

An additional portion of the City's net assets (12.4 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets (\$11.7 million) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$11.7 million; the unrestricted net assets of the City's business-type activities (\$6.7 million) may not be used to fund governmental activities.

As the end of the current fiscal year, the city has unrestricted net assets related to government type activities was \$5.0 million.

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Overall net assets of the city increased \$21.1 million in 2010. Net assets for governmental activities increased \$6.6 million, while net assets of business-type activities increased \$14.5 million. The City continues efforts to contain costs and pursue new revenue sources. The increase in net assets for business-type activities was the result of the aggregate business-type activities holding expenses to 88.4 percent of total revenue for the year. Due to rate increases in the water, sanitary sewer, and storm water enterprise funds and capital grants received, the operational revenue in these funds increased \$14.9 or 14.9 percent when compared to 2009. All other revenue in business-type activities increased \$2.2 million or 18.9 percent as compared to 2009. Business-type activities expenses increased \$8.7 million or 8.2 percent over the comparable expenses in 2009.

There was an increase of \$57 million in the amount invested in capital assets, net of related debt, in 2010 due to principal payments on debt exceeding the annual depreciation on capital assets.

The table below provides a summary of the change in net assets for 2010 compared to 2009:

| | Changes in Net Assets | | | | | |
|--|----------------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | (amounts expressed in thousands) | | | | | |
| | Governmental activities | | Business type activities | | Total | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | (restated) | | | | (restated) |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services and sales | \$ 99,131 | \$ 109,828 | \$ 123,651 | \$ 111,952 | \$ 222,782 | \$ 221,780 |
| Operating grants | 12,675 | 7,608 | - | - | 12,675 | 7,608 |
| Capital grants | 33,739 | 34,809 | 5,423 | - | 39,162 | 34,809 |
| Total program revenues | <u>145,545</u> | <u>152,245</u> | <u>129,074</u> | <u>111,952</u> | <u>274,619</u> | <u>264,197</u> |
| General revenue: | | | | | | |
| Income taxes | 146,886 | 138,474 | - | - | 146,886 | 138,474 |
| Property taxes | 12,465 | 15,518 | - | - | 12,465 | 15,518 |
| Investment earnings | 1,605 | 2,483 | 781 | 899 | 2,386 | 3,382 |
| Other | 4,572 | 6,928 | (6) | 280 | 4,566 | 7,208 |
| Total general revenues | <u>165,528</u> | <u>163,403</u> | <u>775</u> | <u>1,179</u> | <u>166,303</u> | <u>164,582</u> |
| Total revenues | 311,073 | 315,648 | 129,849 | 113,131 | 440,922 | 428,779 |
| Expenses | | | | | | |
| General government | 25,421 | 28,464 | - | - | 25,421 | 28,464 |
| Public service | 54,469 | 56,085 | - | - | 54,469 | 56,085 |
| Public safety | 157,436 | 157,024 | - | - | 157,436 | 157,024 |
| Public utilities | 2 | 139 | - | - | 2 | 139 |
| Community environment | 32,543 | 19,634 | - | - | 32,543 | 19,634 |
| Health | 16,966 | 17,569 | - | - | 16,966 | 17,569 |
| Parks and recreation | 6,139 | 6,933 | - | - | 6,139 | 6,933 |
| Interest on fiscal charges | 12,060 | 12,448 | - | - | 12,060 | 12,448 |
| Water | - | - | 39,138 | 36,556 | 39,138 | 36,556 |
| Sewer | - | - | 56,888 | 49,974 | 56,888 | 49,974 |
| Other | - | - | 18,721 | 19,564 | 18,721 | 19,564 |
| Total expenses | <u>305,036</u> | <u>298,296</u> | <u>114,747</u> | <u>106,094</u> | <u>419,783</u> | <u>404,390</u> |
| Increase (decrease) in net assets before transfers | 6,037 | 17,352 | 15,102 | 7,037 | 21,139 | 24,389 |
| Transfers | 534 | 655 | (534) | (655) | - | - |
| Change in net assets | <u>6,571</u> | <u>18,007</u> | <u>14,568</u> | <u>6,382</u> | <u>21,139</u> | <u>24,389</u> |
| Net assets - beginning, restated | <u>415,206</u> | <u>397,199</u> | <u>412,028</u> | <u>405,646</u> | <u>827,234</u> | <u>802,845</u> |
| Net assets - ending | <u>\$ 421,777</u> | <u>\$ 415,206</u> | <u>\$ 426,596</u> | <u>\$ 412,028</u> | <u>\$ 848,373</u> | <u>\$ 827,234</u> |

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Governmental activities: Governmental activities increased the City's net assets by \$6.6 million. Key elements of the changes in net assets are as follows:

- Income tax revenue, which represents 47.2 percent of the City's governmental revenue, increased by \$8.4 million or 6.1 percent on a full accrual basis. The revenue increase is contributed to manufacturing sector in the second half of the year showed significant improvement over prior year.
- Operating and capital grants increased \$4.0 million or 9.4 percent under comparable revenue in 2009, due to increased federal funding from HUD for program administered by the Department of Neighborhoods.
- Governmental activities expenses increased \$6.7 million or 2.3 percent in 2010. Community environment, which represents 10.7 percent of the governmental activities expenses, increased \$12.9 million or 65.8 percent over comparable expenses in 2009, due to additional personnel costs caused by the increase in grants and other community programs that are administered by the Department of Neighborhoods.

Business-type activities: Business-type activity net assets increased \$14.5 million. Key elements of the changes in net assets are as follows:

- Charges for services increased \$11.7 million or 10.5 percent in 2010, due to an increase in the water and sewer rates and consumer consumption.
- The City received capital grants of \$5.4 million in 2010. This increase was due to the American Recovery and Reinvestment Act (ARRA) program through Ohio Water and Development Authority.
- Expenses increased \$8.7 million or 8.2 percent in 2010, due to the increased water and sewer consumer consumption and operational expenses related to ARRA grant.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2010, the City's governmental funds reported combined ending fund deficit of \$5.0 million, a decrease of \$21.2 million in comparison with the prior year. There is a deficit of \$32.3 million that constitutes *unrestricted fund balance* or the total amount of nonspendable, committed, assigned, and unassigned fund balance. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation.

A schedule of governmental funds revenues and expenditures for the last ten fiscal years have been provided in the Statistical Section of this CAFR – see Table 2 on pages 174 through 176.

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General Fund: The general fund is the chief operating fund of the City. At December 31, 2010, total fund balance of the general fund was a deficit of \$8.6 million. The fund balance of the City's general fund decreased \$592 thousand during 2010.

Capital Improvement Fund: The capital improvement fund is used to account for construction, major improvements and acquisition to the City's buildings, infrastructure and parklands. The Operating transfers of funds received in this fund are derived from the income taxes that are earmarked by voters for capital improvement, construction grants and bond sales. At December 31, 2010, total fund balance of the capital improvement funds was \$38.7 million. The fund balance of the capital improvements fund decreased \$8.6 million during 2010.

Special Assessment Services Fund: The special assessment services fund is used to account for the proceeds of special assessments levied against property benefiting from the street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance. At December 31, 2010, total fund balance of the special assessment services funds was a deficit of \$49.5 million. The fund balance of the special assessments services fund increased by \$1.1 million during 2010.

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 two major enterprise activities: Water and Sewer. The city also operates nine nonmajor enterprise activities: storm water, utility administration services, parking, 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. This City accounts for its enterprise funds on the full accrual basis of accounting.

Water: Total net assets of the water fund at the end of the year amounted to \$147.1 million of which \$9.6 is unrestricted. Net assets in the water fund increased \$3.5 million in 2010. Operating revenues for fiscal year 2010 increased by \$6.6 million or 18.3 percent over comparable revenue in 2009, due to increased consumer consumption and a rate increase as part of the council approved four year rate plan. Operating expenses for fiscal year 2010 increased \$566 thousand or 1.8 percent over comparable expenses in 2009, due to an increase in volume and associated costs of production.

Sewer: Total net assets of the sewer fund at the end of the year amounted to \$237.2 million of which \$11.5 is unrestricted. Net assets in the sewer fund increased \$4.8 million. Operating revenues for fiscal year 2010 increased by \$3.2 million or 5.8 percent over comparable revenue in 2009, due to increased consumer consumption which has a direct correlation with water usage and a rate increase as part of the council approved four year rate plan. Operating expenses for fiscal year 2010 increased \$10.3 million or 26.5 percent over comparable expenses in 2009, due to an increase in volume and associated costs of production and increased maintenance costs on aging infrastructure. This fund also received revenue from capital grants in 2010 of \$4.2 million for the construction projects related to the sewer facilities.

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Nonmajor: Total net assets of the nonmajor enterprise funds at the end of the year amounted to \$42.3 million of which (\$14.4) is unrestricted. Net assets in the nonmajor enterprise funds increased \$6.2 million; due to additional capital asset purchases and debt principal repaid in 2010. Operating revenues for fiscal year 2010 increased by \$2.0 million or 9.0 percent over comparable revenue in 2009, due to increased consumer consumption which has a direct correlation with water usage and a rate increase as part of the council approved four year rate plan. Operating expenses for fiscal year 2010 increased \$175 thousand or 1.0 percent over comparable expenses in 2009, which is a result of normal business operations. This fund also received revenue from capital grants in 2010 of \$1.3 million for the construction projects related to the storm sewer facilities.

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 2010 final general fund total revenue budget was \$238.8 million as compared to the original budget of \$235.0 million, which was an increase of \$3.8 million due to the potential sale of fixed assets. The general fund budget was revised slightly as 2010 economic conditions remained stable and improved in the second half of the year.

The following schedule is a summary of General Fund revenues for 2010 over comparable revenue for 2009:

Revenues and Other Financing Sources
(amount expressed in thousands)

| | 2010 | % of Total | Increase (decrease) from 2009 | % change from 2009 |
|----------------------------|-------------------|----------------|-------------------------------------|-----------------------|
| Income taxes | \$ 144,581 | 64.7% | \$ 3,027 | 2.1 |
| Property taxes | 11,936 | 5.3% | (1,676) | (12.3) |
| Licenses and permits | 2,359 | 1.1% | 280 | 13.5 |
| Intergovernmental services | 24,118 | 10.8% | (258) | (1.1) |
| Charges for services | 22,006 | 9.8% | 2,605 | 13.4 |
| Investment earnings | 1,016 | 0.5% | (21) | (2.0) |
| Fines and forfeitures | 4,486 | 2.0% | (290) | (6.1) |
| Other revenue | 974 | 0.4% | (6,190) | (86.4) |
| Other financing sources | 55 | 0.0% | (12,147) | (99.5) |
| Transfers in | 12,007 | 5.4% | 10,064 | 518.0 |
| Total | <u>\$ 223,538</u> | <u>100.00%</u> | <u>\$ (4,606)</u> | <u>(2.0)</u> |

Key elements of the changes in revenues are as follows:

- Municipal income tax revenue increased 2.1 percent over comparable revenue from 2009. The increase is attributable to individual income showed a moderate improvement compared to 2009 but is significantly lower when compared to the economy levels of 2007.
- Property tax revenue decreased 12.3 percent over comparable revenue from 2009. The decrease is attributable primarily to lower collections resulting from a depressed housing market and the phase out of the tangible personal property tax.

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- Investments earnings decreased 2.0 percent over comparable revenue from 2009. The decrease is a direct result of the fluctuation and downward trend in interest rates.
- Other revenue decreased 86.4 percent over comparable revenue from 2009. The decrease is attributable primarily to the six year renewal of the First Energy electric aggregation contract received in 2009.
- Other financing sources decreased 99.5 percent over comparable revenue from 2009. The decrease is attributable mainly to the City issued Build America Bonds in 2009 to purchase motor vehicles and equipment but did not issue any additional debt in 2010.
- Transfers in increased 518.0 percent over comparable revenue from 2009. The increase is attributable primarily to citizens of the City voting to allow a transfer \$9.6 million from the capital improvement fund in lieu of raising refuse collection fees.

The 2010 final general fund total expense budget was \$225.3 million as compared to the original budget of \$218.8 million, which was an increase of \$6.5 million mainly due to a \$2.4 million increase for capital outlay to purchase refuse containers, \$3.1 million in community environment for increased grant activities and \$0.9 million in parks and recreation for continued operations. The 2010 general fund budget was revised for normal business activity, ordinances from city council, and the administration's business plan.

The following schedule is a summary of General Fund expenses for 2010 over comparable revenue for 2009:

Expenditures and Other Uses
(amount expressed in thousands)

| | 2010 | % of Total | Increase (decrease) from 2009 | % change from 2009 |
|-----------------------------|-------------------|---------------|-------------------------------------|-----------------------|
| General government | \$ 15,092 | 6.7% | \$ 693 | 4.8 |
| Public service | 1,510 | 0.7% | (352) | (18.9) |
| Public safety | 153,359 | 68.4% | 4,496 | 3.0 |
| Public utilities | - | 0.0% | (71) | (100.0) |
| Community environment | 3,929 | 1.8% | (329) | (7.7) |
| Health | 10,971 | 4.9% | (3,174) | (22.4) |
| Parks and recreation | 2,100 | 0.9% | (233) | (10.0) |
| Capital outlay | 2,331 | 1.0% | (17,410) | (88.2) |
| Principal retirement | 1,615 | 0.7% | 68 | 4.4 |
| Interest and fiscal charges | 708 | 0.3% | (172) | (19.5) |
| Transfers out | 32,548 | 14.6% | 279 | 0.9 |
| Total | <u>\$ 224,163</u> | <u>100.0%</u> | <u>\$ (16,205)</u> | <u>(6.7)</u> |

Key elements of the changes in expenses are as follows:

- Health decreased 22.4 percent over comparable expenses from 2009. The decrease is attributable primarily to reduction in the personnel required to operate the new refuse trucks purchased in 2009.
- Capital outlay decreased 88.2 percent over comparable expenses from 2009. The decrease is attributable primarily to the Build America Bonds that were issued in 2009 to fund the purchase of motor vehicle and equipment.

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General Fund Equity: The total fund equity in the general fund was a deficit of \$8.6 million of which \$697 thousand is considered nonspendable because the City holds inventory, \$5.3 million in restricted because it can only be spent for a specific purpose stipulated by external resource providers or through enabling legislation and the remaining (\$14.6) million is considered a deficit having nothing available to spend. These classifications have changed from prior year due to the City's adoption of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definition*.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize moneys in the Budget Stabilization Designation for expenditures in 2010, and, consistent with its policy of adding to the Designation set forth in an ordinance passed by the Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual general fund revenues exceed actual annual general fund expenditures for the prior year. The fund balance remained \$0 at December 31, 2010 due to the general fund operating at a deficit of \$592 thousand in 2010.

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for governmental and business-type activities as of December 31, 2010, amounts to \$1.3 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City's investment in capital assets for 2010 was 2.6 percent (a 1.6 percent increase for governmental activities and a 3.4 percent increase for business-type activities).

Capital Assets (net of depreciation)
(amounts expressed in thousands)

| | Governmental activities | | Business-type activities | | Total | |
|-----------------------------------|-------------------------|-------------------|--------------------------|-------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 24,975 | \$ 25,131 | \$ 10,874 | \$ 10,874 | \$ 35,849 | \$ 36,005 |
| Construction in progress | 35,839 | - | 64,993 | 272,980 | 100,832 | 272,980 |
| Building and improvements | 38,236 | 39,554 | 23,787 | 25,351 | 62,023 | 64,905 |
| Improvements other than buildings | 45,879 | 48,673 | 29,565 | 31,695 | 75,444 | 80,368 |
| Machinery and equipment | 51,782 | 52,338 | 46,105 | 53,203 | 97,887 | 105,541 |
| Infrastructure | 354,492 | 376,728 | 540,391 | 298,005 | 894,883 | 674,733 |
| Total | \$ 551,203 | \$ 542,424 | \$ 715,715 | \$ 692,108 | \$ 1,266,918 | \$ 1,234,532 |

Major capital asset events during 2009 included the following:

- Total capital assets, net of accumulated depreciation, increased \$32.4 million.
- Business-type activity capital assets increased by \$23.6 million or \$45.5 million, net of \$21.9 million in current year depreciation expense.
- Governmental activity capital assets increased by \$8.8 million or \$44.6 million, net of \$35.8 million in current year depreciation expense.

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Additional information on the City's capital assets can be found in Note 6 on pages 64 and 65 of this report.

Long-term debt: At December 31, 2010, the City, the primary government, had \$647 million of long-term bonds, notes, loans, and other obligations outstanding net of unamortized premiums and discounts. All assessment bonds issued by the City are general obligation bonds and notes. There were \$150 thousand in assessment bonds and \$42.7 million in assessment notes, all related to governmental activities, outstanding at December 31, 2010. The revenue bonds of the City represent bonds secured solely by specified revenue sources.

Long -term Debt Outstanding
(amounts expressed in thousands)

| | Governmental activities | | Business-type activities | | Total | |
|------------------------------------|-------------------------|--------------------|--------------------------|--------------------|-------------------|--------------------|
| | 2010 | 2009 (restated) | 2010 | 2009 (restated) | 2010 | 2009 (restated) |
| General obligation bonds and notes | \$ 130,166 | \$ 130,098 | \$ 23,449 | \$ 24,315 | \$ 153,615 | \$ 154,413 |
| Revenue bonds and notes | 41,060 | 41,200 | 103,841 | 110,987 | 144,901 | 152,187 |
| Loans outstanding | 47,990 | 49,044 | 226,580 | 221,474 | 274,570 | 270,518 |
| Capital lease obligations | 4,726 | 2,853 | 6,628 | 6,719 | 11,354 | 9,572 |
| Other obligations | 56,497 | 58,319 | 6,467 | 6,278 | 62,964 | 64,597 |
| Total | \$ 280,439 | \$ 281,514 | \$ 366,965 | \$ 369,773 | \$ 647,404 | \$ 651,287 |

Total long-term bonds and loan outstanding at December 31, 2010 decreased \$7.8 million or 1.2 percent as compared to the amount outstanding at December 31, 2009.

On December 31 2010, the City's bond ratings with Standard & Poor's Corporation and Moody's Investor Services, Inc. were A and A2, respectively.

The Ohio Revised Code 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 unvoted 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 unvoted debt of a city, excluding exempt debt, may not exceed 5.5 percent of that valuation.

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, 2010, and then current assessed valuation, the City's voted and unvoted nonexempt debt capacities within the direct debt limitations were:

| | Limitation | Nonexempt Debt Outstanding | Additional Debt Capacity Within Limitation |
|--------|------------|-------------------------------|--|
| 10.50% | \$ 405,598 | \$ 146,401 | \$ 259,197 |
| 5.50% | \$ 212,456 | \$ 146,401 | \$ 66,055 |

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Management's Discussion and Analysis
For the year ended December 31, 2010

Unvoted 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 Ohio Constitution and the Ohio Revised Code. Under that limitation, unvoted 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 unvoted 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, 2010, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions that, with the City, had the highest millage requirements for debt service on unvoted general obligation debt in any year for their outstanding unvoted general obligation debt was estimated to be 7.7893 mills for the year of the highest potential debt service. There thus remained 2.2107 mills within the ten-mill limitation that had yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Additional information regarding the City's long-term debt can be found in Note 7 on pages 66 through 71 of this report.

Economic Factors and 2011 Budgets and Rates

The City of Toledo's elected and appointed officials considered many factors when setting the fiscal 2011 budget. Both the national economy and the City of Toledo are experiencing contraction and resultant negative economic consequences. Our income tax revenues, which are the largest source of revenue for our general fund, have increased by 2.1 percent during 2010. On a cash basis income tax revenues through June 30, 2011 have increased approximately 11.9 percent compared with the same period in 2010, due to an increase in manufacturing jobs and a significant stock option plan exercised.

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. The City is in process of reviewing several areas of providing services. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City and County along with several other municipalities and townships have agreed to participate in a County wide economic development program known as the Lucas County Investment Corporation which will provide county wide economic development initiatives. In addition, the City will continue its investment in job creation in order to continue to grow our economy. The total general fund budget for 2011 is \$ 234.8 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 Assets
December 31, 2010
(amounts expressed in thousands)

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents with treasurer | \$ 3,724 | \$ 3,788 | \$ 7,512 |
| Cash and cash equivalents held by escrow agent | 475 | 65 | 540 |
| Cash and cash equivalents other | 11 | 4 | 15 |
| Investments | 22,344 | 21,591 | 43,935 |
| Restricted investments | 28,199 | 55,346 | 83,545 |
| Receivables (net of allowance) | 111,423 | 34,973 | 146,396 |
| Due from other governments | 23,911 | 21 | 23,932 |
| Internal balances | 20,973 | (20,973) | - |
| Prepaid items | - | 97 | 97 |
| Inventory | 5,029 | 5,049 | 10,078 |
| Deferred charges and other | 427 | 2,798 | 3,225 |
| Capital assets: | | | |
| Land and construction in progress | 60,814 | 75,867 | 136,681 |
| Other capital assets, net of accumulated depreciation | 490,389 | 639,848 | 1,130,237 |
| Total assets | <u>767,719</u> | <u>818,474</u> | <u>1,586,193</u> |
| LIABILITIES | | | |
| Accounts payable | 11,663 | 10,125 | 21,788 |
| Customer deposits | 1,287 | 8,450 | 9,737 |
| Accrued wages and benefits | 32,170 | 236 | 32,406 |
| Accrued interest payable | 1,810 | 4,439 | 6,249 |
| Retainages | 811 | 1,541 | 2,352 |
| Due to other governments | - | 84 | 84 |
| Unearned revenue | 16,202 | - | 16,202 |
| Other current liabilities | 1,560 | 38 | 1,598 |
| Current portion of long-term liabilities: | | | |
| Compensated absences | 1,158 | 370 | 1,528 |
| Bonds, notes, loans and other obligations | 52,858 | 21,817 | 74,675 |
| Long-term liabilities: | | | |
| Compensated absences | 40,350 | 6,097 | 46,447 |
| Bonds, notes, loans and other obligations | 186,073 | 338,681 | 524,754 |
| Total liabilities | <u>345,942</u> | <u>391,878</u> | <u>737,820</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 343,145 | 388,160 | 731,305 |
| Restricted for: | | | - |
| Special assessments | 3,734 | - | 3,734 |
| Debt service | - | 5,166 | 5,166 |
| Replacement | - | 20,252 | 20,252 |
| Capital improvements | 44,048 | 6,342 | 50,390 |
| Other purposes | 25,848 | - | 25,848 |
| Unrestricted | 5,002 | 6,676 | 11,678 |
| Total net assets | <u>\$ 421,777</u> | <u>\$ 426,596</u> | <u>\$ 848,373</u> |

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

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|-------------------|----------------------|------------------|------------------|---|--------------------------|---------------------|
| | | Charges for Services | Operating Grants | Capital Grants | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 25,421 | \$ 46,960 | \$ - | \$ - | \$ 21,539 | \$ - | \$ 21,539 |
| Public service | 54,469 | 26,003 | - | 11,836 | (16,630) | - | (16,630) |
| Public safety | 157,436 | 9,363 | 5,390 | - | (142,683) | - | (142,683) |
| Public utilities | 2 | - | - | - | (2) | - | (2) |
| Community environment | 32,543 | 5,421 | 5,513 | 21,903 | 294 | - | 294 |
| Health | 16,966 | 11,184 | 1,501 | - | (4,281) | - | (4,281) |
| Parks and recreation | 6,139 | 200 | 271 | - | (5,668) | - | (5,668) |
| Interest and fiscal charges | 12,060 | - | - | - | (12,060) | - | (12,060) |
| Total governmental activities | 305,036 | 99,131 | 12,675 | 33,739 | (159,491) | - | (159,491) |
| Business-type activities: | | | | | | | |
| Water | 39,138 | 42,487 | - | - | - | 3,349 | 3,349 |
| Sewer | 56,888 | 57,354 | - | 4,171 | - | 4,637 | 4,637 |
| Storm utility | 4,968 | 9,798 | - | 1,252 | - | 6,082 | 6,082 |
| Utilities administration | 9,876 | 10,071 | - | - | - | 195 | 195 |
| Parking | 820 | 1,383 | - | - | - | 563 | 563 |
| Property management | 1,691 | 470 | - | - | - | (1,221) | (1,221) |
| Small business development | 380 | 177 | - | - | - | (203) | (203) |
| Municipal tow lot | 986 | 1,911 | - | - | - | 925 | 925 |
| Total business-type activities | 114,747 | 123,651 | - | 5,423 | - | 14,327 | 14,327 |
| Total | \$ 419,783 | \$ 222,782 | \$ 12,675 | \$ 39,162 | \$ (159,491) | \$ 14,327 | \$ (145,164) |
| General revenues: | | | | | | | |
| | | | | | 146,886 | - | 146,886 |
| | | | | | 12,465 | - | 12,465 |
| | | | | | 1,605 | 781 | 2,386 |
| | | | | | (34) | (6) | (40) |
| | | | | | 4,606 | - | 4,606 |
| Transfers | | | | | 534 | (534) | - |
| Total general revenues and transfers | | | | | 166,062 | 241 | 166,303 |
| Changes in net assets | | | | | 6,571 | 14,568 | 21,139 |
| Net assets - beginning, restated | | | | | 415,206 | 412,028 | 827,234 |
| Net assets - ending | | | | | \$ 421,777 | \$ 426,596 | \$ 848,373 |

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

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2010
(amounts expressed in thousands)

| | General | Capital Improvements | Special Assessments Services | Nonmajor Governmental Funds | Total Governmental Funds |
|---|------------------|---------------------------------|---|--|---|
| ASSETS | | | | | |
| Cash and cash equivalents: | | | | | |
| Cash and cash equivalents with treasurer | \$ 3,724 | \$ - | \$ - | \$ - | \$ 3,724 |
| Cash and cash equivalents held by escrow agent | 475 | - | - | - | 475 |
| Cash and cash equivalents other | 9 | - | - | 2 | 11 |
| Investments | 10,200 | 11,910 | - | 234 | 22,344 |
| Restricted investments | 5,320 | 14,487 | 4,977 | 3,400 | 28,184 |
| Receivables (net of allowance) | 49,617 | 420 | 53,307 | 7,888 | 111,232 |
| Due from other: | | | | | |
| Funds | - | 17,220 | - | 15,888 | 33,108 |
| Governments | 1,311 | 11,060 | - | 11,540 | 23,911 |
| Inventory of supplies | 688 | 856 | 1,807 | 721 | 4,072 |
| Total assets | 71,344 | 55,953 | 60,091 | 39,673 | 227,061 |
| LIABILITIES | | | | | |
| Accounts payable | 4,818 | 1,358 | 239 | 4,155 | 10,570 |
| Deposits | 165 | - | 140 | 982 | 1,287 |
| Retainage | - | 811 | - | - | 811 |
| Due to other: | | | | | |
| Funds | 32,227 | - | 14,724 | 6,094 | 53,045 |
| Governments | - | - | - | - | - |
| Deferred revenue | 29,371 | 5,326 | 53,278 | 12,082 | 100,057 |
| Accrued wages and benefits | 12,217 | 61 | 194 | 250 | 12,722 |
| Compensated absences payable | 1,158 | - | - | - | 1,158 |
| Notes payable | - | 9,675 | 41,060 | 1,650 | 52,385 |
| Total liabilities | 79,956 | 17,231 | 109,635 | 25,213 | 232,035 |
| FUND BALANCES (DEFICIT) | | | | | |
| Nonspendable | 697 | 856 | 1,807 | 1,417 | 4,777 |
| Restricted | 5,320 | 14,487 | 4,977 | 8,961 | 33,745 |
| Committed | - | 23,379 | - | 13,179 | 36,558 |
| Assigned | - | - | - | - | - |
| Unassigned | (14,629) | - | (56,328) | (9,097) | (80,054) |
| Total fund balance (deficit) | (8,612) | 38,722 | (49,544) | 14,460 | (4,974) |
| Total liabilities and fund balance (deficit) | \$ 71,344 | \$ 55,953 | \$ 60,091 | \$ 39,673 | \$ 227,061 |

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

City of Toledo, Ohio

Reconciliation of the Balance Sheet to the Statement of Net Assets
 Governmental Funds
 December 31, 2010
 (amounts expressed in thousands)

Total **fund balances** for governmental funds \$ (4,974)

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

Capital assets used in governmental activities (excluding internal services funds capital assets) are not financial resources and therefore are not reported in the funds 532,041

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 | \$ 55,190 | |
| Income taxes | 9,919 | |
| Delinquent property taxes | 2,365 | |
| Capital grants | 6,292 | |
| Operating grants | 6,590 | |
| Reimbursements from other governments | 3,499 | 83,855 |

Internal services funds are used by the City to account for the financing of goods or services provided by one department or agency to the other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 36,309

Bond issuance costs were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest and fiscal charges in the statement of activities. 427

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 assets. Balances at December 31, 2010 are as follows:

| | | |
|---|-----------|-----------|
| General obligation bonds | (116,016) | |
| Compensated absences | (40,350) | |
| Loans outstanding from federal agencies | (29,920) | |
| Loans outstanding from state agencies | (18,070) | |
| Accrued interest | (1,810) | |
| Landfill closure | (14,989) | |
| Capital lease for firetrucks | (1,782) | |
| Capital leases for ambulances | (1,549) | |
| Capital leases for police cars | (1,395) | (225,881) |

Total **net assets** of governmental activities \$ 421,777

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

City of Toledo, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | <u>General</u> | <u>Capital Improvements</u> | <u>Special Assessment Services</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------|---------------------------------|--|--|---|
| Revenues | | | | | |
| Income taxes | \$ 144,581 | \$ - | \$ - | \$ - | \$ 144,581 |
| Property taxes | 11,936 | - | - | - | 11,936 |
| Special assessments | - | - | 26,128 | 464 | 26,592 |
| Licenses and permits | 2,359 | - | - | 4 | 2,363 |
| Intergovernmental services | 24,118 | 5,559 | - | 12,844 | 42,521 |
| Charges for services | 22,006 | 922 | 499 | 920 | 24,347 |
| Investment earnings | 1,016 | 499 | 21 | 69 | 1,605 |
| Fines and forfeitures | 4,486 | - | - | 1,162 | 5,648 |
| Grants | - | 14,822 | - | 19,316 | 34,138 |
| Other revenue | 974 | 674 | 10 | 2,619 | 4,277 |
| Total revenues | <u>211,476</u> | <u>22,476</u> | <u>26,658</u> | <u>37,398</u> | <u>298,008</u> |
| Expenditures | | | | | |
| General government | 15,092 | - | 187 | 565 | 15,844 |
| Public service | 1,510 | - | 22,788 | 10,536 | 34,834 |
| Public safety | 153,359 | - | - | 6,015 | 159,374 |
| Public utilities | - | - | - | 2 | 2 |
| Community environment | 3,929 | - | - | 27,150 | 31,079 |
| Health | 10,971 | - | 639 | 2,117 | 13,727 |
| Parks and recreation | 2,100 | - | 145 | 415 | 2,660 |
| Capital outlay | 2,331 | 41,683 | 3 | 286 | 44,303 |
| Debt service: | | | | | |
| Principal retirement | 1,615 | 10,284 | - | 13,497 | 25,396 |
| Interest and fiscal charges | 708 | 3,293 | 1,318 | 6,492 | 11,811 |
| Debt issuance costs | - | 102 | - | - | 102 |
| Total expenditures | <u>191,615</u> | <u>55,362</u> | <u>25,080</u> | <u>67,075</u> | <u>339,132</u> |
| Excess (deficiency) of revenues over expenditures | 19,861 | (32,886) | 1,578 | (29,677) | (41,124) |
| Other financing sources (uses): | | | | | |
| Transfers in | 12,007 | 31,979 | 290 | 19,671 | 63,947 |
| Transfers out | (32,548) | (27,852) | - | (3,014) | (63,414) |
| Capital lease proceeds | - | 3,310 | - | - | 3,310 |
| Issuance of debt | - | 16,623 | - | - | 16,623 |
| Premium (discount) on bond | - | 171 | - | - | 171 |
| Sale of fixed assets | 55 | 35 | - | 11 | 101 |
| Total other financing sources (uses) | <u>(20,486)</u> | <u>24,266</u> | <u>290</u> | <u>16,668</u> | <u>20,738</u> |
| Net change in fund balance | (625) | (8,620) | 1,868 | (13,009) | (20,386) |
| Fund balance (deficit) at beginning of year | (8,020) | 47,331 | (50,623) | 27,552 | 16,240 |
| Increase (decrease) in reserve for inventory | 33 | 11 | (789) | (83) | (828) |
| Fund balance (deficit) at year end | <u>\$ (8,612)</u> | <u>\$ 38,722</u> | <u>\$ (49,544)</u> | <u>\$ 14,460</u> | <u>\$ (4,974)</u> |

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

City of Toledo, Ohio

Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

Net change in **fund balances** - total governmental funds \$ (20,386)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation expense. This amount includes the adjustment for capital outlay expenditures capitalized offset by depreciation expense and loss on the disposal of fixed assets in the current period.

| | | |
|---|--------------|--------|
| Capital outlay | \$ 44,174 | |
| Depreciation expense | (31,848) | |
| Gain (loss) on disposal of fixed assets | <u>(399)</u> | 11,927 |

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 | (5,506) | |
| Income taxes | 2,306 | |
| Delinquent property taxes | 529 | |
| Capital grants | 11,012 | |
| Operating grants | 1,264 | |
| Basic life support | (2,013) | |
| Reimbursements from other governments | <u>22</u> | 7,614 |

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. 4,710

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. (1,730)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This amount is the amount by which repayment of principal exceeds proceeds from issuance not reported as notes payable in the governmental funds. 5,292

Bond issuance costs are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wise statements. 181

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

| | | |
|----------------------------|--------------|---------|
| Change in accrued interest | (184) | |
| Change in inventory | <u>(828)</u> | (1,012) |

Changes in net assets of internal service funds reported with governmental activities. (25)

Changes in **net assets** of governmental activities \$ 6,571

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

City of Toledo, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2010
(amounts expressed in thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|---|--|--------------------------|--------------------------------|--------------------------|---|
| | Water | Sewer | Nonmajor Enterprise | Total | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents with treasurer | \$ 33 | \$ 55 | \$ 3,700 | \$ 3,788 | \$ - |
| Cash and cash equivalents held by escrow agent | 35 | 27 | 3 | 65 | - |
| Cash and cash equivalents other | 3 | - | 1 | 4 | - |
| Investments | 14,997 | 6,068 | 526 | 21,591 | - |
| Restricted investments | 3,307 | 2,859 | 49,180 | 55,346 | 15 |
| Receivables (net of allowance) | 7,512 | 18,519 | 8,942 | 34,973 | 191 |
| Due from other: | | | | | |
| Funds | 5,767 | 14,796 | 1,061 | 21,624 | 42,148 |
| Governments | 4 | - | 17 | 21 | - |
| Prepaid items | 97 | - | - | 97 | - |
| Inventory of supplies | 4,281 | 715 | 53 | 5,049 | 957 |
| Total current assets | <u>36,036</u> | <u>43,039</u> | <u>63,483</u> | <u>142,558</u> | <u>43,311</u> |
| Noncurrent assets: | | | | | |
| Deferred charges and other | 2,068 | 615 | 115 | 2,798 | - |
| Capital assets: | | | | | |
| Land and construction in progress | 25,928 | 36,585 | 13,354 | 75,867 | 350 |
| Other capital assets, net of accumulated depreciation | 177,022 | 421,302 | 41,524 | 639,848 | 18,812 |
| Total noncurrent assets | <u>205,018</u> | <u>458,502</u> | <u>54,993</u> | <u>718,513</u> | <u>19,162</u> |
| Total assets | <u><u>241,054</u></u> | <u><u>501,541</u></u> | <u><u>118,476</u></u> | <u><u>861,071</u></u> | <u><u>62,473</u></u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 1,281 | 8,175 | 669 | 10,125 | 1,093 |
| Customer deposits | 3,427 | 4,975 | 48 | 8,450 | - |
| Retainage | 354 | 1,187 | - | 1,541 | - |
| Due to other: | | | | | |
| Funds | - | - | 42,597 | 42,597 | 1,238 |
| Governments | - | 84 | - | 84 | - |
| Other current liabilities | - | - | 38 | 38 | 1,560 |
| Accrued interest payable | 540 | 3,765 | 134 | 4,439 | - |
| Accrued wages and benefits | - | 61 | 175 | 236 | 19,448 |
| Current portion of: | | | | | |
| Compensated absences payable | 139 | 192 | 39 | 370 | - |
| Bonds, loans and notes payable, net | 6,183 | 13,528 | 2,106 | 21,817 | 2,825 |
| Total current liabilities | <u>11,924</u> | <u>31,967</u> | <u>45,806</u> | <u>89,697</u> | <u>26,164</u> |
| Noncurrent liabilities: | | | | | |
| Compensated absences payable | 2,296 | 3,167 | 634 | 6,097 | - |
| Bonds, loans and notes payable, net | 79,776 | 229,185 | 29,720 | 338,681 | - |
| Total noncurrent liabilities | <u>82,072</u> | <u>232,352</u> | <u>30,354</u> | <u>344,778</u> | <u>-</u> |
| Total liabilities | <u><u>93,996</u></u> | <u><u>264,319</u></u> | <u><u>76,160</u></u> | <u><u>434,475</u></u> | <u><u>26,164</u></u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 124,982 | 217,949 | 45,229 | 388,160 | 16,337 |
| Restricted for debt service | 406 | 4,745 | 15 | 5,166 | - |
| Restricted for replacement | 10,145 | - | 10,107 | 20,252 | 2,000 |
| Restricted for improvement | 1,956 | 3,047 | 1,339 | 6,342 | - |
| Unrestricted | 9,569 | 11,481 | (14,374) | 6,676 | 17,972 |
| Total net assets | <u><u>\$ 147,058</u></u> | <u><u>\$ 237,222</u></u> | <u><u>\$ 42,316</u></u> | <u><u>\$ 426,596</u></u> | <u><u>\$ 36,309</u></u> |

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

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|---|--|-------------------|--------------------------------|-------------------|---|
| | Water | Sewer | Nonmajor Enterprise | Total | |
| Operating revenues | | | | | |
| Charges for services | \$ 42,199 | \$ 57,010 | \$ 22,671 | \$ 121,880 | \$ 28,096 |
| Other revenue | 288 | 344 | 1,139 | 1,771 | 329 |
| Total operating revenue | <u>42,487</u> | <u>57,354</u> | <u>23,810</u> | <u>123,651</u> | <u>28,425</u> |
| Operating expenses | | | | | |
| Personal services | 12,415 | 16,827 | 9,375 | 38,617 | 6,094 |
| Contractual services | 7,400 | 10,837 | 5,450 | 23,687 | 10,866 |
| Materials and supplies | 5,653 | 2,880 | 764 | 9,297 | 6,106 |
| Utilities | 2,581 | 3,192 | 262 | 6,035 | 1,670 |
| Depreciation | 4,802 | 15,348 | 1,768 | 21,918 | 3,834 |
| Total operating expenses | <u>32,851</u> | <u>49,084</u> | <u>17,619</u> | <u>99,554</u> | <u>28,570</u> |
| Operating income | 9,636 | 8,270 | 6,191 | 24,097 | (145) |
| Nonoperating revenues (expenses) | | | | | |
| Capital grants | - | 4,171 | 1,252 | 5,423 | - |
| Investment earnings | 195 | 206 | 380 | 781 | - |
| Interest expense and fiscal charges | (6,287) | (7,804) | (1,102) | (15,193) | (144) |
| Gain (loss) on sale of fixed assets | (7) | - | - | (7) | 264 |
| Total nonoperating revenues (expenses) | <u>(6,099)</u> | <u>(3,427)</u> | <u>530</u> | <u>(8,996)</u> | <u>120</u> |
| Income (loss) before transfers | 3,537 | 4,843 | 6,721 | 15,101 | (25) |
| Transfers in | - | - | 973 | 973 | - |
| Transfers out | (13) | (16) | (1,477) | (1,506) | - |
| Change in net assets | <u>3,524</u> | <u>4,827</u> | <u>6,217</u> | <u>14,568</u> | <u>(25)</u> |
| Net assets at beginning of year | <u>143,534</u> | <u>232,395</u> | <u>36,099</u> | <u>412,028</u> | <u>36,334</u> |
| Net assets at end of year | <u>\$ 147,058</u> | <u>\$ 237,222</u> | <u>\$ 42,316</u> | <u>\$ 426,596</u> | <u>\$ 36,309</u> |

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

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|--|--|------------------|--------------------------------|------------------|---|
| | Water | Sewer | Nonmajor Enterprise | Total | |
| Operating activities: | | | | | |
| Cash received from customers | \$ 40,319 | \$ 49,570 | \$ 22,704 | \$ 112,593 | \$ 28,024 |
| Cash paid to employees | (12,606) | (18,205) | (9,974) | (40,785) | (5,221) |
| Cash paid to suppliers | (24,752) | (19,442) | (5,622) | (49,816) | (38,434) |
| Other receipts | 310 | 450 | 1,162 | 1,922 | 329 |
| Net cash provided by (used by) operating activities | 3,271 | 12,373 | 8,270 | 23,914 | (15,302) |
| Noncapital financial activities: | | | | | |
| Transfers in | - | - | 973 | 973 | - |
| Transfers out | (13) | (16) | (1,477) | (1,506) | - |
| Net cash provided by (used by) noncapital financing activities | (13) | (16) | (504) | (533) | - |
| Capital and related financing activities: | | | | | |
| Proceeds from capital grants and contributions | - | 4,171 | 1,252 | 5,423 | - |
| Proceeds from the sales of assets | - | - | - | - | 327 |
| Purchases of property, plant and equipment | (10,118) | (30,901) | (4,079) | (45,098) | (749) |
| Proceeds from the issuance of bonds, loans, and notes | 1,049 | 15,519 | 43 | 16,611 | - |
| Refunding bond issued | 22,020 | 10,973 | 7,563 | 40,556 | 5,650 |
| Principal payments on bonds and loans | (6,304) | (14,118) | (2,280) | (22,702) | (1,335) |
| Payment on refunded bonds | (20,800) | (10,435) | (7,290) | (38,525) | (5,650) |
| Interest and fiscal charges paid on bonds, loans and notes | (5,762) | (9,403) | (1,082) | (16,247) | (144) |
| Net cash provided by (used by) capital and related financing activities | (19,915) | (34,194) | (5,873) | (59,982) | (1,901) |
| Investing activities: | | | | | |
| Proceeds from sales and maturities of investments | 89,515 | 64,783 | 165,882 | 320,180 | - |
| Purchase of investments | (79,275) | (48,642) | (167,483) | (295,400) | (1) |
| Investment income received on investments | 1,218 | 130 | 413 | 1,761 | - |
| Net cash provided by (used by) investing activities | 11,458 | 16,271 | (1,188) | 26,541 | (1) |
| Decrease in cash and cash equivalents | (5,199) | (5,566) | 705 | (10,060) | (17,204) |
| Cash and cash equivalents at beginning of year | 5,270 | 5,648 | 2,999 | 13,917 | 17,204 |
| Cash and cash equivalents at end of year | <u>\$ 71</u> | <u>\$ 82</u> | <u>\$ 3,704</u> | <u>\$ 3,857</u> | <u>\$ -</u> |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | |
| Operating income (loss) | \$ 9,636 | \$ 8,270 | \$ 6,191 | \$ 24,097 | \$ (145) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | |
| Depreciation | 4,802 | 15,348 | 1,768 | 21,918 | 3,834 |
| Increase (decrease) in allowance for doubtful accounts | (110) | (369) | 1,126 | 647 | (3) |
| Changes in assets and liabilities: | | | | | |
| Receivables | (1,770) | (7,071) | (1,093) | (9,934) | (69) |
| Due to (from) other: | | | | | |
| Funds | (8,963) | (12,829) | 905 | (20,887) | (19,662) |
| Governments | 22 | 106 | 23 | 151 | - |
| Prepaid expenses | - | - | 34 | 34 | - |
| Inventory of supplies | (399) | (20) | (24) | (443) | (195) |
| Accounts payable | 427 | 6,968 | (13) | 7,382 | 65 |
| Customer deposits | (10) | 2,528 | 47 | 2,565 | - |
| Retainage | (173) | 820 | (95) | 552 | - |
| Other current liabilities | - | - | - | - | - |
| Accrued wages and benefits | (2,626) | (4,737) | (1,272) | (8,635) | 873 |
| Compensated absences | 2,435 | 3,359 | 673 | 6,467 | - |
| Net cash provided by (used by) operating activities | \$ 3,271 | \$ 12,373 | \$ 8,270 | \$ 23,914 | \$ (15,302) |
| Supplemental information: | | | | | |
| Noncash activities: | | | | | |
| Change in fair market value of investments | \$ (970) | \$ 90 | \$ (85) | \$ (965) | \$ - |
| OWDA loan increase for capitalized interest | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4</u> | <u>\$ 4</u> | <u>\$ -</u> |

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

City of Toledo, Ohio
 Balance Sheet
 Statement of Fiduciary Assets and Liabilities
 December 31, 2010
 (amounts expressed in thousands)

| | Agency Funds |
|---|-------------------------|
| ASSETS | |
| Cash and cash equivalents: | |
| Cash and cash equivalents other | \$ 1,099 |
| Receivables | 1,681 |
| Total assets | \$ 2,780 |
| LIABILITIES | |
| Accounts payable | 58 |
| Deposits | 1,099 |
| Other liabilities | 1,623 |
| Total liabilities and fund balance (deficit) | \$ 2,780 |

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

NOTES TO THE FINANCIAL STATEMENTS

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed 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 Accounts Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989, to its business-type activities and enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. 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 of Toledo, Ohio includes the following services as authorized by its charter: Public Safety, Highways and Streets, Water and Sanitation, Health and Social Services, Culture-Recreation, Public Improvements, Planning and Zoning and General Administrative Services.

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

Jointly Governed Organizations

Corrections Commission of Northwest Ohio

In 1987, the City of Toledo 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly Governed Organizations (continued)

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 \$5,570 for the operation of the Commission in 2010. Financial information can be obtained from the Commission’s administrative office located at 03151 Road 2425, Stryker, OH 43557-9418.

City of Toledo-City of Sylvania

In July 2008, the City entered into a revenue sharing contract with the City of Sylvania. The purpose of this contract is to facilitate new and expanded commercial growth or economic development in the state and the city of Sylvania. The agreement results in an income tax that shall be imposed based on the City of Sylvania’s Municipal Code at a rate of 1.5%. The City will receive 40% of the net revenues in excess of the baseline revenues established yearly generated by this agreement. The City received \$0 in revenues from this agreement in 2010.

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 of Toledo’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 \$44 in revenues from the JEDD in 2010.

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake 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 an income tax that shall be imposed based on the City of Toledo’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 \$0 in revenues from the JEDD in 2010.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly Governed Organizations (continued)

City of Toledo-Troy Township

In September 2010, the City has entered into a contract with Troy 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 an income tax that shall be imposed based on the City of Toledo'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 \$0 in revenues from the JEDD in 2010.

City of Toledo-City of Rossford

In February 1992, the City has 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 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 \$0 in revenues from the JEDZ in 2010.

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 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, 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 \$921 in revenues from the JEDZ in 2010.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide statements report all of the assets, liabilities, revenues and expenses of the City. Governmental activities are reported separately from business type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds of the City are not included in these government-wide financial statements; however, separate financial statements are presented for the fiduciary funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

Government-Wide Financial Statements:

The statement of net assets 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 activity of the internal service funds are eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets 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 certain 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 this more detailed level. The focus of governmental and enterprise funds financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities 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 assets, 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 enterprise funds: water and sewer.

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

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

Fiduciary Funds:

The City's only fiduciary fund reporting focuses on assets and liabilities.

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

Measurement Focus

Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets, except fiduciary funds. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net assets.

Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the all major and nonmajor proprietary funds and charges for goods and services to other departments provided by the internal service funds. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the fund.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide as well as the fiduciary funds and proprietary fund financial statements are prepared using the accrual basis of accounting. The governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue 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.

Nonexchange 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 nonexchange 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (continued)

Unearned and Deferred Revenues

Unearned and deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (continued)

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 assets as "cash and cash equivalents with treasurer".

Investments were limited to certificates of deposit, federal government 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, 2010.

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 Governmental funds, and the lower of cost or market in Proprietary funds and are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

Restricted Assets

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets, 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 assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$500. 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 loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of assets.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (continued)

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due during each period upon the occurrence of employee resignations and retirements. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables and accrued liabilities and long-term obligations payable from the governmental funds are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and 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 Issuance Costs, Premiums, Discounts and Deferred Amount on Refundings

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond issuance costs are reported as a separate line item on the statement of net assets.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Issuance Costs, Premiums, Discounts and Deferred Amount on Refundings (continued)

For advance refundings resulting in the defeasance of debt in the government-wide financial statements and in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt, if material.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

Fund Balance Classifications

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

The components for reporting the City's fund balance are nonspendable, restricted, committed, assigned and unassigned. Nonspendable 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 and 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, resolution, or ordinance. The unassigned fund balance represents the residual net resources.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by the creditors, grantors or laws or regulation of other governments. The City did not have any net assets restricted by enabling legislation.

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 need only have an office located in the State of Ohio rather than in the City and payable on demand of the City. Such deposits may include interest-bearing or non-interest bearing checking accounts, NOW accounts, savings accounts and other similar accounts authorized by the Federal Reserve Bank Board or the Federal Home Bank Board.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

8. Non-demand savings accounts which are deposited in an institution having all of the qualifications of a depository except that it need only have an office located in the State of Ohio rather than in the City that are not payable on demand but, instead, are payable at a certain date.

A qualified depository is a bank, trust company or savings and loan association organized under the laws of the State of Ohio 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 individual credit rating by Fitch of C or better or a credit rating by Highline Financial, LLC of 50 or better.
5. Provides collateralization as required by the Toledo 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.

At December 31, 2010, the carrying amount of the City's deposits was \$7,512 and the bank balance was \$12,231. Of the bank balance, \$250 was covered by Federal depository insurance and \$11,981 was covered by collateral held by a third party trustee in the City's name. The City also has deposits that are held be an escrow agent of \$540 which is covered by collateral held by a third party in the City's name. The City also has petty cash funds of \$15 held by departments that are not covered by Federal depository insurance or collateralized.

At December 31, 2010, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$1,099 and the bank balance was \$1,486. Of the bank balance, the entire balance was covered by Federal depository insurance.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

| | Maturity | | Total |
|---------------------------------------|--------------------|---|-------------------|
| | Within one year | More than one year but less than three years | |
| City of Toledo municipal bonds | \$ 1,200 | \$ 3,900 | \$ 5,100 |
| Federal Farm Credit Bureau | - | 29,413 | 29,413 |
| Federal Home Loan Bank | - | 32,645 | 32,645 |
| Federal Home Loan Mortgage Corp | 654 | 28,627 | 29,281 |
| Federal National Mortgage Association | 344 | 20,331 | 20,675 |
| STAR Ohio | 10,353 | - | 10,353 |
| Certificates of deposit/savings | 13 | - | 13 |
| Total portfolio | <u>\$ 12,564</u> | <u>\$ 114,916</u> | <u>\$ 127,480</u> |

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 can not exceed seven year of the settlement date. The City's investment policy addresses interest risk requiring the consideration of market conditions and cash flow requirement in determining the term of the investment.

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 by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types and 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 are registered and carry an AAA rating by Standard and Poor's.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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.
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.
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's 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's 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The following is the City’s allocation as of December 31, 2010:

| | <u>Fair Value</u> | <u>% of Total</u> |
|---------------------------------------|-------------------|-------------------|
| City of Toledo municipal bonds | \$ 5,100 | 4.00 |
| Federal Farm Credit Bureau | 29,413 | 23.07 |
| Federal Home Loan Bank | 32,645 | 25.61 |
| Federal Home Loan Mortgage Corp | 29,281 | 22.97 |
| Federal National Mortgage Association | 20,675 | 16.22 |
| STAROhio | 10,353 | 8.12 |
| Certificates of deposit/savings | <u>13</u> | <u>0.01</u> |
| Total Portfolio | <u>\$ 127,480</u> | <u>100.00</u> |

NOTE 3 – RECEIVABLES

Receivables at December 31, 2010 consist of the following:

| | <u>Taxes</u> | <u>Customer and other account</u> | <u>Special Assessments</u> | <u>Notes Receivable</u> | <u>Interest Receivable</u> | <u>Gross Receivables</u> | <u>Less: Allowance for uncollectibles</u> | <u>Receivables, Net</u> |
|----------------------------------|------------------|---|--------------------------------|-----------------------------|--------------------------------|------------------------------|---|-----------------------------|
| Governmental activities: | | | | | | | | |
| General fund | \$ 44,588 | \$ 17,494 | \$ - | \$ - | \$ 35 | \$ 62,117 | \$ (12,500) | \$ 49,617 |
| Capital improvements | - | 413 | - | - | 170 | 583 | (163) | 420 |
| Special assessment services | - | 37 | 53,278 | - | 8 | 53,323 | (16) | 53,307 |
| Other governmental funds | - | 7,933 | 1,911 | 30,614 | 7 | 40,465 | (32,577) | 7,888 |
| Total governmental funds | <u>44,588</u> | <u>25,877</u> | <u>55,189</u> | <u>30,614</u> | <u>220</u> | <u>156,488</u> | <u>(45,256)</u> | <u>111,232</u> |
| Business type activities: | | | | | | | | |
| Water | - | 9,742 | - | - | 38 | 9,780 | (2,268) | 7,512 |
| Sewer | - | 23,269 | - | - | 26 | 23,295 | (4,776) | 18,519 |
| Other business type activities | - | 4,244 | - | 23,512 | 113 | 27,869 | (18,927) | 8,942 |
| Total business type funds | <u>-</u> | <u>37,255</u> | <u>-</u> | <u>23,512</u> | <u>177</u> | <u>60,944</u> | <u>(25,971)</u> | <u>34,973</u> |
| Internal service funds | <u>-</u> | <u>575</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>575</u> | <u>(384)</u> | <u>191</u> |
| Total | <u>\$ 44,588</u> | <u>\$ 63,707</u> | <u>\$ 55,189</u> | <u>\$ 54,126</u> | <u>\$ 397</u> | <u>\$ 218,007</u> | <u>\$ (71,611)</u> | <u>\$ 146,396</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 4 – INCOME TAXES

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

The first 1.5% of the income tax is a permanent levy, of which .25% of this tax is dedicated to capital improvements. There is an additional .75% that is levied which will expire on December 31, 2012. Of this additional tax, .25% is also dedicated for capital improvements. The City is required by statute to transfer those income taxes dedicated for capital improvements to the capital improvements fund. The required transfers to the capital improvements fund for 2010 have been completed.

Employers within the City are required to withhold income tax on employee compensation and 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 preceding 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 35 percent of true value. 2010 public utility property taxes became a lien on December 31, 2009, are levied on October 1, 2010 are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

Tangible personal property tax revenues received in 2010 (other than public utility property) represent the collection of 2010 taxes levied against local and interexchange telephone companies. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers were due September 20. Single county taxpayers may pay annually and semiannually. If paid annual, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 5 – PROPERTY TAX (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property on general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009 and the tax on telephone and telecommunications property will be eliminated in calendar year 2011. The tax is phased out by reducing the assessment rate on the property year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2009-2010, the City will be fully reimbursed for the lost revenue. In calendar year 2011-2017, the reimbursements will be phased out.

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, 2010 and for which there is an enforceable legal claim. In the government funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue 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 deferred.

The full tax rate for all City operations for the year ended December 31, 2010 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

| | |
|--|----------------------------|
| Real property (other than public utility) | \$ 3,741,678 |
| Public utility real and tangible personal property | 112,681 |
| Tangible personal property | 8,483 |
| Total assessed value | <u><u>\$ 3,862,842</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 10 or 20 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, 2010
(amounts expressed in thousands)
(Continued)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2010, was as follows:

| <i>Governmental Activities:</i> | Balance 1/1/2010 | Additions | Deletions | Balance 12/31/2010 |
|---|---------------------|-----------------|---------------|-----------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 25,131 | \$ - | \$ 156 | \$ 24,975 |
| Construction in progress | - | 35,839 | - | 35,839 |
| Total capital assets not being depreciated | 25,131 | 35,839 | 156 | 60,814 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings | 65,924 | 12 | 214 | 65,722 |
| Improvements | 60,666 | - | - | 60,666 |
| Machinery & Equipment | 135,642 | 9,087 | 3,681 | 141,048 |
| Furniture & Fixtures | 6,890 | 13 | - | 6,903 |
| Infrastructure | 807,616 | 18 | - | 807,634 |
| Total capital assets being depreciated | 1,076,738 | 9,130 | 3,895 | 1,081,973 |
| <i>Less: accumulated depreciation</i> | | | | |
| Buildings | 26,370 | 1,205 | 89 | 27,486 |
| Improvements | 11,993 | 2,794 | - | 14,787 |
| Machinery & Equipment | 87,189 | 9,103 | 3,583 | 92,709 |
| Furniture & Fixtures | 3,005 | 455 | - | 3,460 |
| Infrastructure | 430,888 | 22,254 | - | 453,142 |
| Total accumulated depreciation | 559,445 | 35,811 | 3,672 | 591,584 |
| Total capital assets being depreciated, net | 517,293 | (26,681) | 223 | 490,389 |
| Governmental type activities capital assets, net | \$ 542,424 | \$ 9,158 | \$ 379 | \$ 551,203 |

Depreciation expense was charged to functions of the governmental activities as follows:

| | |
|---|------------------|
| General government | \$ 5,816 |
| Public service | 4,232 |
| Public safety | 19,661 |
| Public utility | 11 |
| Community environment | 3,842 |
| Health | 1,924 |
| Parks and recreation | 325 |
| Total depreciation expense - governmental activities | \$ 35,811 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2010, the Department owned approximately 161 parcels at an estimated historical cost of \$4,414. 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, 2010, was as follows:

| <i>Business-Type Activities:</i> | Balance 1/1/2010 | Additions | Deletions | Balance 12/31/2010 |
|--|---------------------|-------------------|-------------------|-----------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 10,874 | \$ - | \$ - | \$ 10,874 |
| Construction in progress | 272,980 | 44,203 | 252,190 | 64,993 |
| Total capital assets not being depreciated | 283,854 | 44,203 | 252,190 | 75,867 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings | 75,579 | - | - | 75,579 |
| Improvements | 72,307 | - | - | 72,307 |
| Machinery and equipment | 112,989 | 1,112 | 356 | 113,745 |
| Furniture and fixtures | 1,971 | - | - | 1,971 |
| Distribution system | 535,405 | 252,407 | - | 787,812 |
| Total capital assets being depreciated | 798,251 | 253,519 | 356 | 1,051,414 |
| <i>Less: accumulated depreciation</i> | | | | |
| Buildings | 50,228 | 1,564 | - | 51,792 |
| Improvements | 40,612 | 2,479 | 349 | 42,742 |
| Machinery and equipment | 60,594 | 7,715 | - | 68,309 |
| Furniture and fixtures | 1,163 | 139 | - | 1,302 |
| Distribution system | 237,400 | 10,021 | - | 247,421 |
| Total accumulated depreciation | 389,997 | 21,918 | 349 | 411,566 |
| Total capital assets being depreciated, net | 408,254 | 231,601 | 7 | 639,848 |
| Business-type activities capital assets, net | <u>\$ 692,108</u> | <u>\$ 275,804</u> | <u>\$ 252,197</u> | <u>\$ 715,715</u> |

Depreciation expense was charged to functions of the business-type activities as follows:

| | |
|---|------------------|
| Sewer | \$ 15,348 |
| Water | 4,802 |
| Non-major | 1,768 |
| Total depreciation expense - business-type activities | <u>\$ 21,918</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – LONG-TERM OBLIGATIONS

The City's governmental activities long-term obligations at December 31, 2010 and a schedule of current year activity are as follows:

| <i>Government activities:</i> | Issue Date | Maturity Date | Interest Rate (%) | Original Issue Amount | Balance 1/1/2010 | Increase | Decrease | Balance 12/31/2010 | Amount Due In One Year |
|------------------------------------|------------|---------------|-------------------|-----------------------|-------------------|------------------|------------------|--------------------|------------------------|
| General obligation bonds: | | | | | | | | | |
| Pension | 1994 | 2014 | 7.5 | \$ 19,050 | \$ 6,250 | \$ - | \$ 1,150 | \$ 5,100 | \$ 1,200 |
| Capital projects | Various | Various | 1.5 - 6.08 | 189,374 | 113,958 | 15,836 | 19,028 | 110,766 | 11,062 |
| Special assessments | Various | Various | 1.55 - 5.0 | 305 | 175 | - | 25 | 150 | 25 |
| Notes outstanding: | | | | | | | | | |
| General obligations: | | | | | | | | | |
| Capital projects | | 2011 | 1.75 | | 9,790 | 19,350 | 19,465 | 9,675 | 9,675 |
| Special assessments | | 2011 | 1.75 | | 2,015 | 3,400 | 3,765 | 1,650 | 1,650 |
| Internal service funds | | 2011 | 1.75 | | 4,160 | 5,650 | 6,985 | 2,825 | 2,825 |
| Revenue obligations: | | | | | | | | | |
| Assessed services 2008 | | 2010 | Various | | 20,500 | - | 20,500 | - | - |
| Assessed services 2009 | | 2011 | 4.0 | | 20,700 | - | - | 20,700 | 20,700 |
| Assessed services 2010 | | 2012 | 4.125 | | - | 20,360 | - | 20,360 | - |
| Loans outstanding: | | | | | | | | | |
| State agencies: | | | | | | | | | |
| State issue 2 | | | | | | | | | |
| Capital projects | Various | Various | 0 | | 6,335 | 958 | 679 | 6,614 | 738 |
| Ohio Water Dev Authority | | | | | | | | | |
| Capital projects | Various | Various | 4.02 - 4.12 | 9,843 | 6,470 | | 465 | 6,005 | 485 |
| ODOD Chapter 166 | | | | | | | | | |
| Capital projects | 1998 | 2018 | 4 | 10,000 | 6,032 | | 581 | 5,451 | 605 |
| State Infrastructure Bank | | | | | | | | | |
| Capital projects | 2009 | 2019 | 3 | 2,808 | 2,808 | - | - | 2,808 | - |
| Federal agencies: | | | | | | | | | |
| HUD 108 | | | | | | | | | |
| Capital projects | Various | Various | 6.56 - 7.96 | | 15,170 | - | 1,415 | 13,755 | 1,485 |
| Other loans: | | | | | | | | | |
| Capital projects | Various | Various | 0 - 6.55 | | 13,973 | - | 616 | 13,357 | 746 |
| Capital lease obligations: | | | | | | | | | |
| Capital project fire trucks | 2009 | 2013 | | 2,923 | 2,324 | - | 542 | 1,782 | 567 |
| Capital project ambulances | 2007 | 2012 | | 840 | 529 | - | 165 | 364 | 176 |
| Capital project ambulances | 2010 | 2015 | 3.428 | 1,185 | - | 1,185 | - | 1,185 | 232 |
| Capital project police cars | 2010 | 2012 | 3.1 | 2,125 | - | 2,125 | 730 | 1,395 | 687 |
| Other obligations: | | | | | | | | | |
| Landfill closure | | | | | 13,259 | 1,730 | | 14,989 | - |
| Compensated absences | | | | | 45,060 | 1,150 | 4,710 | 41,508 | 1,158 |
| Total government activities | | | | | <u>\$ 289,508</u> | <u>\$ 71,744</u> | <u>\$ 80,821</u> | <u>\$ 280,439</u> | <u>\$ 54,016</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – 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, 2010 for the City’s governmental activities:

| Year | General Obligation Bonds | | General Obligation Notes | | Revenue Obligation Notes | |
|-----------|--------------------------|------------------|--------------------------|-------------|--------------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$ 12,287 | \$ 9,190 | \$ 14,150 | \$ - | \$ 20,700 | \$ 1,915 |
| 2012 | 13,988 | 6,931 | - | - | 20,360 | 840 |
| 2013 | 15,454 | 4,092 | - | - | - | - |
| 2014 | 15,249 | 3,445 | - | - | - | - |
| 2015 | 9,843 | 2,804 | - | - | - | - |
| 2016-2020 | 30,425 | 8,930 | - | - | - | - |
| 2021-2025 | 16,370 | 2,982 | - | - | - | - |
| 2026-2030 | 2,400 | 268 | - | - | - | - |
| 2031-2032 | - | - | - | - | - | - |
| Total | <u>\$ 116,016</u> | <u>\$ 38,642</u> | <u>\$ 14,150</u> | <u>\$ -</u> | <u>\$ 41,060</u> | <u>\$ 2,755</u> |

| Year | State Agency Loans | | Federal and Other Loans | | Total | |
|-----------|--------------------|-----------------|-------------------------|------------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$ 1,828 | \$ 461 | \$ 2,231 | \$ 1,763 | \$ 51,196 | \$ 13,329 |
| 2012 | 2,178 | 509 | 2,215 | 1,626 | 38,741 | 9,906 |
| 2013 | 2,234 | 451 | 2,336 | 1,488 | 20,024 | 6,031 |
| 2014 | 2,258 | 391 | 2,246 | 1,361 | 19,753 | 5,197 |
| 2015 | 2,305 | 328 | 2,371 | 1,185 | 14,519 | 4,317 |
| 2016-2020 | 8,798 | 691 | 8,647 | 3,422 | 47,870 | 13,043 |
| 2021-2025 | 880 | 4 | 3,096 | 1,765 | 20,346 | 4,751 |
| 2026-2030 | 397 | - | 2,750 | 913 | 5,547 | 1,181 |
| 2031-2032 | - | - | 1,220 | 121 | 1,220 | 121 |
| Total | <u>\$ 20,878</u> | <u>\$ 2,835</u> | <u>\$ 27,112</u> | <u>\$ 13,644</u> | <u>\$ 219,216</u> | <u>\$ 57,876</u> |

Landfill Closure and Postclosure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the government-wide Statement of Net Assets for the closure and postclosure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 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 51 years. The \$14,989 reported as landfill closure and postclosure care liability at December 31, 2010 represents the cumulative amount reported to date based on the use of 59.5% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,196 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010 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 regulations.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

The City's business-type activities long-term obligations at December 31, 2010 and a schedule of current year activity are as follows:

| <i>Business-type activities</i> | Issue Date | Maturity Date | Interest Rate (%) | Original Issue Amount | Balance 1/1/2010 | Increase | Decrease | Balance 12/31/2010 | Amount Due In One Year |
|---------------------------------------|---------------|------------------|----------------------|-----------------------------|---------------------|------------------|------------------|-----------------------|------------------------------|
| General obligation bonds: | | | | | | | | | |
| Parking | 1990 | 2010 | 6.75 - 7.375 | 1,200 | \$ 105 | \$ - | \$ 105 | \$ - | \$ - |
| Tow lot | 2006 | 2014 | 4.0 - 5.0 | 2,835 | 2,355 | - | 160 | 2,195 | 160 |
| Property management | Various | Various | 4.85 - 7.0 | 33,230 | 21,580 | 7,563 | 7,889 | 21,254 | 728 |
| Revenue obligation bonds: | | | | | | | | | |
| Water system | Various | Various | 1.25 - 6.20 | 132,280 | 77,355 | 22,020 | 26,466 | 72,909 | 5,470 |
| Sanitary sewer system | Various | Various | 2.0 - 6.45 | 77,155 | 33,632 | 10,973 | 13,673 | 30,932 | 2,418 |
| Notes outstanding: | | | | | | | | | |
| General obligations: | | | | | | | | | |
| Storm water systems | 2006 | 2010 | 1.75 | | 275 | - | 275 | - | - |
| Loans outstanding: | | | | | | | | | |
| State agencies: | | | | | | | | | |
| State issue 2 | | | | | | | | | |
| Water system | Various | Various | 0 | 1,704 | 332 | 1,049 | 30 | 1,351 | 85 |
| Sanitary sewer system | Various | Various | 0 | 2,959 | 1,799 | 4,679 | 137 | 6,341 | 352 |
| Storm water system | Various | Various | 0 | 6,170 | 1,692 | 43 | 112 | 1,623 | 117 |
| Ohio Water Dev Authority | | | | | | | | | |
| Water system | 2006 | 2028 | 3.25 | 16,012 | 12,308 | - | 608 | 11,700 | 628 |
| Sanitary sewer system | Various | Various | 3.75 - 8.31 | 306,313 | 205,343 | 9,643 | 10,344 | 204,642 | 10,577 |
| ODOD Chapter 166 | | | | | | | | | |
| Property management | 2000 | 2016 | 4 | 1,500 | 1,064 | - | 141 | 923 | 148 |
| Capital lease obligations: | | | | | | | | | |
| Ohio Building | | | | | 1,259 | - | 489 | 770 | 535 |
| Parking garage | | | | | 5,460 | - | 399 | 5,061 | 418 |
| Sewer cleaners | | | | | - | 1,196 | 399 | 797 | 181 |
| Other obligations: | | | | | | | | | |
| Compensated absences | | | | | 6,278 | 370 | 181 | 6,467 | 370 |
| Total business-type activities | | | | | <u>\$ 370,837</u> | <u>\$ 57,536</u> | <u>\$ 61,408</u> | <u>\$ 366,965</u> | <u>\$ 22,187</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – 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, 2010 for the City’s business-type activities:

| Year | General Obligation Bonds | | Revenue Obligation Bonds | | State Agency Loans | |
|-----------|--------------------------|------------------|--------------------------|------------------|--------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$ 888 | \$ 1,199 | \$ 7,888 | \$ 4,117 | \$ 11,907 | \$ 7,690 |
| 2012 | 1,003 | 1,156 | 8,163 | 3,854 | 12,717 | 7,669 |
| 2013 | 1,078 | 1,106 | 8,519 | 3,502 | 13,674 | 7,736 |
| 2014 | 1,173 | 1,053 | 8,883 | 3,146 | 14,697 | 7,819 |
| 2015 | 1,278 | 1,018 | 9,179 | 2,800 | 14,803 | 7,333 |
| 2016-2020 | 9,069 | 4,080 | 26,865 | 9,764 | 75,310 | 28,995 |
| 2021-2025 | 6,315 | 2,036 | 17,953 | 5,861 | 71,360 | 15,840 |
| 2026-2030 | 2,645 | 269 | 16,391 | 1,758 | 12,112 | 3,946 |
| 2031-2035 | - | - | - | - | - | 277 |
| Total | <u>\$ 23,449</u> | <u>\$ 11,917</u> | <u>\$ 103,841</u> | <u>\$ 34,802</u> | <u>\$ 226,580</u> | <u>\$ 87,305</u> |

| Year | Total | |
|-----------|-------------------|-------------------|
| | Principal | Interest |
| 2011 | \$ 20,683 | \$ 13,006 |
| 2012 | 21,883 | 12,679 |
| 2013 | 23,271 | 12,344 |
| 2014 | 24,753 | 12,018 |
| 2015 | 25,260 | 11,151 |
| 2016-2020 | 111,244 | 42,839 |
| 2021-2025 | 95,628 | 23,737 |
| 2026-2030 | 31,148 | 5,973 |
| 2031-2035 | - | 277 |
| Total | <u>\$ 353,870</u> | <u>\$ 134,024</u> |

New Issues and Advanced Refunding

On July 1, 2010 the City sold \$13,155 of general obligation bonds that were issued to advance refund at a lower interest rate for the following outstanding bonds:

| | Governmental Activities | Business-type Activities |
|--|----------------------------|-----------------------------|
| Street Improvement Bonds, Series 2000 | \$ 3,090 | \$ - |
| Street Improvement Bonds, Series 2001 | 2,775 | |
| Housing Improvement Bonds, Series 1998 (Commodore Perry Apartments Project) | - | 3,695 |
| Multifamily Housing Bonds, Series 1998 (Hillcrest Apartments Project) | - | 3,595 |
| | <u>\$ 5,865</u> | <u>\$ 7,290</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

New Issues and Advanced Refunding (continued)

The original obligations had interest rates ranging from 3.0% to 5.35% and had various maturities ranging from 2015 to 2028. The new obligations have an interest rate of 2.0% to 5.0% and have various maturities ranging from 2015 to 2028. The funding resulted in an economic gain to the City of \$787.

Build America and Recovery Zone Economic Development Bonds

In October 2009, the City issued \$12,200 of Build America general obligation bonds. These bonds were issued to fund the purchase of solid waste trucks.

In October 2009, the City issued \$8,000 of Build America general obligation bonds. These bonds were issued to fund street improvements.

In July 2010, the City issued \$9,800 of Recovery Zone Economic Development general obligation bonds. These bonds were issued to fund street improvements.

All refunds from the U.S. Treasury that result from the issuance of Build America and Recovery Zone Economic Development Bonds shall be deposited in to the city fund responsible for making the debt service payment on the related bonds. Interest earnings on proceeds from the Build America Bonds and Recovery Zone Economic Development bonds are required to be used for the capital purpose for which the bonds were issued.

State Infrastructure Bank

The City has a loan with the State Infrastructure Bank (SIB), which is administered and funded by the Ohio Department of Transportation. The loan, Toledo-Marina District: Riverside Drive, provided funding for road construction and improvements. The total loan of \$2,808 has been disbursed. The loan payments for 2011 are interest only at a rate of 3%. Beginning in 2012, the City will make semi-annual payments of \$205 which includes principal and interest.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized 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, 2010 was \$222,348. Of this amount, \$11,700 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount \$204,642 is obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. The remaining amount of \$6,006 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.

Arbitrage Regulations

The City has made the required federal arbitrage calculations and had no liability required to be recorded.

NOTE 8 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the office space it occupies in One Government Center. The 30 year lease, which expires on August 1, 2013, is classified as an operating lease. The City makes quarterly rental payments totaling \$1,524. Under the terms of the lease, the City is required to pay for its pro-rata share of operating and maintenance costs of the building which amounted to \$820 in 2010.

Future minimum lease payments on the building are as follows:

| | | |
|------|----|--------------|
| 2011 | \$ | 1,524 |
| 2012 | | 1,524 |
| 2013 | | 762 |
| | | <u>3,810</u> |
| | \$ | <u>3,810</u> |

The City also leases various facilities and equipment under various operating leases. Rental expense relating to these leases amounts to \$605 in 2010.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 8 – LEASES AND OTHER COMMITMENTS (Continued)

Capital Leases

In 1997, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the office space it occupies in Ohio Building. The 15 year lease is classified as a capital lease and has been included in the capital assets as a building in the Utility Administration Services enterprise fund at \$4,538 less accumulated depreciation of \$3,954. Under the terms of the lease, the City is required to pay for its pro-rata share of operating and maintenance costs of the building which amounted to \$180 in 2010.

In 1999, the City entered into a noncancelable long-term lease with the Lucas County Port Authority for an addition to the Superior Street Garage. The 20 year lease is classified as a capital lease and has been included in the capital assets as a building in the Parking Garage enterprise fund at \$7,825 less accumulated depreciation of \$3,794.

In 2007, the City entered into a noncancelable long-term lease with Farmers Bank & Capital Trust Co. for the lease of fire trucks. 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 \$2,923 less accumulated depreciation of \$147 at December 31, 2010.

In 2007, the City entered into a noncancelable long-term lease with Leasing One Corp. 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 \$840 less accumulated depreciation of \$210 at December 31, 2010.

In 2008, the City entered into a noncancelable long-term lease with Daimler Chrysler for the lease of police cars. The 3 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Internal Service Fund at \$990 less accumulated depreciation of \$298 at December 31, 2010. A final lease payment was made in 2009.

In 2009, the City entered into a noncancelable long-term master equipment lease with Key Government Finance, Inc. for the lease of sewer cleaners. The 7 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Sewer enterprise fund at \$1,389 less accumulated depreciation of \$139.

In 2010, the City entered into a noncancelable 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 \$119.

In 2010, the City entered into a noncancelable long-term master equipment lease with Ford Motor Credit for the lease of police cars. 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 \$2,125 less accumulated depreciation of \$110.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 8 – 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, 2010 are as follows:

| Year Ending December 31, 2010 | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|------------------|
| 2011 | \$ 1,839 | \$ 1,490 | \$ 3,329 |
| 2012 | 1,838 | 1,159 | 2,997 |
| 2013 | 909 | 913 | 1,822 |
| 2014 | 259 | 908 | 1,167 |
| 2015 | 259 | 901 | 1,160 |
| 2016-2019 | - | 2,898 | 2,898 |
| Total minimum lease payments | 5,104 | 8,269 | 13,373 |
| Less: amount representing interest | (378) | (1,641) | (2,019) |
| Present value of net minimum lease payments | <u>\$ 4,726</u> | <u>\$ 6,628</u> | <u>\$ 11,354</u> |

Other Commitments

Outstanding encumbrances for the year ended December 31, 2010 was a follows:

| | |
|---|------------------|
| <i>Governmental activities:</i> | |
| Capital improvements | \$ 2,710 |
| Capital improvements - grants | 1,548 |
| Capital improvements - Federal stimulus | 671 |
| <i>Proprietary funds:</i> | |
| Water - operating fund | 1,623 |
| Water - replacement fund | 1,262 |
| Sewer - operating fund | 1,356 |
| Sewer - replacement fund | 24,802 |
| Other business-type activities | 1,050 |
| | <u>\$ 35,022</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 9 - INTERFUND ACTIVITY

Interfund balances mainly resulting from the lag 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, 2010 the interfund balances consist of the following individual interfund receivables and payables as reported on the fund statements:

| | Interfund Receivables | Interfund Payables |
|--------------------------------|--------------------------|-----------------------|
| <i>Governmental funds:</i> | | |
| General fund | \$ - | \$ 32,227 |
| Capital improvement fund | 17,220 | - |
| Special assessment fund | - | 14,724 |
| Other governmental funds | 15,888 | 6,094 |
| Total governmental activities | <u>33,108</u> | <u>53,045</u> |
| <i>Proprietary funds:</i> | | |
| Water | 5,767 | - |
| Sewer | 14,796 | - |
| Other business type activities | 1,061 | 42,597 |
| Internal service funds | 42,148 | 1,238 |
| Total business type activities | <u>63,772</u> | <u>43,835</u> |
| Total | <u>\$ 96,880</u> | <u>\$ 96,880</u> |

Interfund transfers for the year ended December 31, 2010, consisted of the following, as reported on the fund statements:

| Transfer Out | Transfer In | | | | | Total |
|--------------------------------|------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------------|------------------|
| | General Fund | Capital Improvement Fund | Special Assessment Fund | Other Governmental Fund | Other Business-type Activities | |
| <i>Governmental funds:</i> | | | | | | |
| General fund | \$ - | \$ 31,575 | \$ - | \$ - | \$ 973 | \$ 32,548 |
| Capital improvement fund | 9,610 | - | 100 | 18,142 | - | 27,852 |
| Special assessment fund | - | - | - | - | - | - |
| Other governmental funds | 1,307 | 17 | 190 | 1,500 | - | 3,014 |
| Total governmental activities | <u>10,917</u> | <u>31,592</u> | <u>290</u> | <u>19,642</u> | <u>973</u> | <u>63,414</u> |
| <i>Proprietary funds:</i> | | | | | | |
| Water | - | - | - | 13 | - | 13 |
| Sewer | - | - | - | 16 | - | 16 |
| Other business type activities | 1,090 | 387 | - | - | - | 1,477 |
| Total business type activities | <u>1,090</u> | <u>387</u> | <u>-</u> | <u>29</u> | <u>-</u> | <u>1,506</u> |
| Total | <u>\$ 12,007</u> | <u>\$ 31,979</u> | <u>\$ 290</u> | <u>\$ 19,671</u> | <u>\$ 973</u> | <u>\$ 64,920</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 10 – FUND BALANCE

A summary of fund balances as of December 31, 2010 by category with specific purpose information follows:

| | General Fund | Capital Improvements | Special Assessment Services | Nonmajor Governmental Funds | Total |
|-----------------------|-------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------|
| <i>Fund balances:</i> | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ 688 | \$ 856 | \$ 1,807 | \$ 721 | \$ 4,072 |
| Petty cash | 9 | - | - | 2 | 11 |
| Permanent fund | - | - | - | 694 | 694 |
| Total nonspendable | <u>697</u> | <u>856</u> | <u>1,807</u> | <u>1,417</u> | <u>4,777</u> |
| Restricted for: | | | | | |
| General government | 5,320 | 300 | 984 | 66 | 6,670 |
| Public service | - | 12,850 | 2,801 | - | 15,651 |
| Public safety | - | 1,337 | - | - | 1,337 |
| Parks and recreation | - | - | 1,192 | 2,449 | 3,641 |
| Community environment | - | - | - | 6,446 | 6,446 |
| Total restricted | <u>5,320</u> | <u>14,487</u> | <u>4,977</u> | <u>8,961</u> | <u>33,745</u> |
| Committed to: | | | | | |
| General government | - | 485 | - | - | 485 |
| Public service | - | 20,737 | - | - | 20,737 |
| Public safety | - | 2,157 | - | - | 2,157 |
| Community environment | - | - | - | 13,179 | 13,179 |
| Total committed | <u>-</u> | <u>23,379</u> | <u>-</u> | <u>13,179</u> | <u>36,558</u> |
| Assigned | - | - | - | - | - |
| Unassigned | (14,629) | - | (56,328) | (9,097) | (80,054) |
| Total fund balances | <u>\$ (8,612)</u> | <u>\$ 38,722</u> | <u>\$ (49,544)</u> | <u>\$ 14,460</u> | <u>\$ (4,974)</u> |

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize moneys in the Budget Stabilization Designation for expenditures in 2010, and, consistent with its policy of adding to the Designation set forth in an ordinance passed by the Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual general fund revenues exceed actual annual general fund expenditures for the prior year. The fund balance remained \$0 at December 31, 2010 due to the general fund operating at a deficit of \$592 thousand in 2010.

NOTE 11 – PENSION PLANS

Ohio Public Employees Retirement System

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 11 – PENSION PLANS (Continued)

Ohio Public Employees Retirement System (continued)

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC. OPERS issues a stand-alone financial report. That may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2010, the members of all three plans were required to contribute 10% of their annual covered salary to fund pension obligations and the City contributed 14% of covered payroll.

The City's required contributions for pension obligations to the traditional and combined plans for years ended December 31, 2010, 2009, and 2008 were \$9,924, \$11,816, and \$10,983, respectively, or 92.1% of the required contribution for 2010 and equal to the required contributions for 2009 and 2008. The remaining employer contributions for 2010 were paid in the first quarter 2011.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10% of their annual covered salary, while the employers are required to contribute 19.5% and 24% for police officers and firefighters, respectively. The City contributions to OP&F for the years ending December 31, 2010, 2009 and 2008 approximated \$15,247, \$15,738 and \$16,211 respectively, or 77.5% of the required contribution for 2010 and equal to the required contributions for 2009 and 2008. The remaining employer contributions for 2010 were paid in the first quarter 2011.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 11 – PENSION PLANS (Continued)

Deferred Compensation Plans

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

NOTE 12 – 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.

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

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service Credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained 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 employees to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the City contributed at a rate of 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 12 – POSTRETIREMENT BENEFIT PLANS (Continued)

Ohio Public Employees Retirement System (continued)

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding for the post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members of the Combined Plan was 4.73% from January 1 to February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree and their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2010, 2009, and 2008 approximated \$3,603, \$4,986 and \$3,541, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contributions for state and local employers increased January 1 for each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB 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 are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 12 – POSTRETIREMENT BENEFIT PLANS (Continued)

Ohio Police and Fire Pension Fund (continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) accounts as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustee's primary responsibility to ensure that pension benefits are adequately funded and is limited by the provision of Section 115 and 401(h).

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

The City's contributions to OP&F for the years ending December 31, 2010, 2009 and 2008 approximated \$15,247, \$15,738 and \$16,211, respectively, of which \$4,767, \$4,932 and \$4,986 respectively, was allocated to the healthcare plan.

NOTE 13 – RISK MANAGEMENT

Property and Liability

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 13 – RISK MANAGEMENT (Continued)

Property and Liability (continued)

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2010, the City contracted with various insurance companies to provide the following coverage:

| | Coverage | Deductible |
|--|--------------------|--------------------|
| | (in whole dollars) | (in whole dollars) |
| Property policy for the City | \$ 500,000,000 | \$ 250,000 |
| Commercial/liquor for Erie Street Market | 7,000,000 | 500 |
| Pollution/cleanup policy for Marina District | 5,000,000 | 25,000 |
| Crime policy for the City | 3,000,000 | 75,000 |
| Crime policy for Toledo Clerk of Courts | 3,000,000 | 50,000 |
| Commercial/medical for The Docks | 2,000,000 | 5,000 |
| Boat policy | 1,000,000 | 1,000 |
| Commercial liability for The Unique Center | 1,000,000 | 5,000 |
| Crime policy for the Toledo Police | 1,000,000 | 50,000 |
| Fine arts policy for Blair Museum | 1,000,000 | 1,000 |
| Ocean marine policy | 1,000,000 | 1,000 |
| Employee tool insurance | 211,000 | 500 |
| Community probation program | 25,000 | - |

Changes in the funds' claim liability amount in 2010, 2009 and 2008 were:

| Year | Balance at Beginning of Year | Current Year Claims and Change in Estimate | Claims Payments | Balance at End of Year |
|------|---------------------------------|--|--------------------|---------------------------|
| 2008 | \$ 1,430 | \$ 659 | \$ 529 | \$ 1,560 |
| 2009 | 1,560 | 610 | 610 | 1,560 |
| 2010 | 1,560 | 975 | 975 | 1,560 |

Workers' Compensation

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 13 – RISK MANAGEMENT (Continued)

Workers' Compensation (continued)

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

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

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

The claims liability of \$19,331 reported at December 31, 2010, as estimated by the third party administrator, is based on the requirement of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. The liability is reported as a current liability in the statement of net assets for the Internal Service funds. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses.

Changes in the funds' claim liability amount in 2010, 2009 and 2008 were:

| Year | Balance at Beginning of Year | Current Year Claims and Change in Estimate | Claims Payments | Balance at End of Year |
|------|---------------------------------|--|--------------------|---------------------------|
| 2008 | \$ 17,941 | \$ 7,162 | \$ 6,560 | \$ 18,543 |
| 2009 | 18,543 | 6,767 | 6,735 | 18,575 |
| 2010 | 18,575 | 7,678 | 6,922 | 19,331 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 13 – RISK MANAGEMENT (Continued)

Health Insurance

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

Changes in the funds' claim liability amount in 2010 was:

| Year | Balance at Beginning of Year | Current Year Claims and Change in Estimate | Claims Payments | Balance at End of Year |
|------|---------------------------------|--|--------------------|---------------------------|
| 2010 | \$ - | \$ 16,055 | \$ 14,458 | \$ 1,597 |

NOTE 14 – ACCOUNTABILITY AND COMPLIANCE

New Pronouncements

For 2010, the City has implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 addresses accounting and financial reporting standard for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, internally generated computer software, patents and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have a significant effect on the financial statements of the city.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivatives instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts and future contracts. The implementation of GASB Statement No. 53 did not have a significant effect on the financial statements of the city.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 14 – ACCOUNTABILITY AND COMPLIANCE (Continued)

New Pronouncements (continued)

GASB Statement No. 54 addresses the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental definitions. GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The implementation of GASB Statement No. 54 did not have a significant effect on the financial statements of the City other than the reclassification of fund balance previously reported into the new fund balance classifications.

GASB Statement No. 58 establishes accounting and financial reporting for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms the new payment plan. The implementation of GASB Statement No. 58 did not have a significant effect on the financial statements of the city.

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2010:

| | |
|--------------------------------------|----------|
| <i>Governmental funds:</i> | |
| General Fund | \$ 8,612 |
| Special Assessment Services Fund | 49,544 |
| <i>Nonmajor Governmental Funds:</i> | |
| Federal Block Grants | 4,939 |
| Toledo Home Program | 850 |
| Special Assessment Improvements Fund | 1,875 |
| <i>Proprietary funds:</i> | |
| Property Management | 13,355 |
| Municipal Tow Lot | 189 |
| Marina Operations | 30 |

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 15 - CONTINGENCIES

Litigation

The City is currently a defendant in several lawsuits. It is the opinion of legal counsel that none of this litigation will have a material adverse affect on the financial condition of the City. In addition, there are several unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 2010.

Grants

In 2010, the City received federal and State 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 16 – RESTATEMENT OF BEGINNING NET ASSETS

| | Governmental Activities |
|------------------------------------|----------------------------|
| Net assets, as previously reported | \$ 402,408 |
| Increases: | |
| Accrued interest | 13,007 |
| Error in recorded debt | 2,599 |
| Decreases: | |
| Unrecorded debt | (2,808) |
| Net assets, restated | \$ 415,206 |

NOTE 17 - SUBSEQUENT EVENTS

In March 2011, Dashing Pacific Group, LLC purchased from the City for \$2.15 million approximately six acres of commercial property along the east bank of the Maumee River known as “The Docks”. Dashing Pacific plans to redevelop the restaurant and entertainment complex on that property and has commenced work on renovations for that purpose.

In March 2011, the City Council approved entering into an agreement with the Lucas County Solid Waste Management District to transition responsibility for solid waste and recycling collection within the District as provided by Republic Service (formerly know as Allied Waste). This agreement shall be for a five year period commencing September 1, 2011 and terminating on August 31, 2016. As part of this agreement, Republic Service will purchase 40 collection trucks currently owned by the City for a price of at least \$8,000.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010
(amounts expressed in thousands)
(Continued)

NOTE 17 - SUBSEQUENT EVENTS (Continued)

In May 2011, the City Council approved an agreement for the sale of an additional 69 acres in the adjacent Marina District to Dashing Pacific Group, LLC for \$3.8 million for an estimated \$200 to \$300 million redevelopment project expected to include retail, office and multi-family residential elements. The agreement also provides Dashing Pacific a two-year option to purchase an additional 22.75 acres at \$55,000 per acre and an option for the City to repurchase the property at \$55,000 an acre if its is not developed within five years.

In May 2011, the City Council approved the issuance of \$24,300 in notes for the purposes of paying the cost of lighting streets, alleys and other public ways of the City; sprinkling, sweeping, cleaning and snow removal services for the treating of surface streets, alleys and other public ways of the City; planting, maintaining, trimming and removing shade trees in and along streets of the City in anticipation of the levy and collection of special assessments. The notes will mature in 2013.

City of Toledo, Ohio

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REQUIRED SUPPLEMENTARY INFORMATION

General Fund and Major Special Revenue 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
General Fund
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budget Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ 140,684 | \$ 140,684 | \$ 144,581 | \$ 3,897 |
| Property taxes | 16,688 | 16,688 | 11,936 | (4,752) |
| Special assessments | - | - | - | - |
| Licenses and permits | 4,116 | 4,116 | 2,359 | (1,757) |
| Intergovernmental services | 20,788 | 20,788 | 24,118 | 3,330 |
| Charges for services | 26,849 | 26,849 | 22,006 | (4,843) |
| Investment earnings | 1,282 | 1,282 | 1,016 | (266) |
| Fines and forfeitures | 6,436 | 6,436 | 4,486 | (1,950) |
| Grants | - | - | - | - |
| Other revenue | 1,461 | 4,247 | 974 | (3,273) |
| Total revenues | <u>218,304</u> | <u>221,090</u> | <u>211,476</u> | <u>(9,614)</u> |
| Expenditures | | | | |
| General government | 16,983 | 17,106 | 15,092 | 2,014 |
| Public service | 318 | 318 | 1,510 | (1,192) |
| Public safety | 149,594 | 149,594 | 153,359 | (3,765) |
| Public utilities | - | - | - | - |
| Community environment | 3,992 | 7,050 | 3,929 | 3,121 |
| Health | 12,481 | 12,481 | 10,971 | 1,510 |
| Parks and recreation | 1,056 | 1,966 | 2,100 | (134) |
| Capital outlay | 7 | 2,424 | 2,331 | 93 |
| Debt service: | | | | |
| Principal retirement | 1,615 | 1,615 | 1,615 | - |
| Interest and fiscal charges | 717 | 717 | 708 | 9 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>186,763</u> | <u>193,271</u> | <u>191,615</u> | <u>1,656</u> |
| Excess (deficiency) of revenues over expenditures | 31,541 | 27,819 | 19,861 | (7,958) |
| Other financing sources (uses): | | | | |
| Transfers in | 11,667 | 12,696 | 12,007 | (689) |
| Transfers out | (31,990) | (31,990) | (32,548) | (558) |
| Capital lease proceeds | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | 5,000 | 5,000 | 55 | (4,945) |
| Total Other financing sources (uses): | <u>(15,323)</u> | <u>(14,294)</u> | <u>(20,486)</u> | <u>(6,192)</u> |
| Net change in fund balance | <u>\$ 16,218</u> | <u>\$ 13,525</u> | (625) | <u>\$ (14,150)</u> |
| Fund balance (deficit) at beginning of year | | | (8,020) | |
| Increase (decrease) in reserve for inventory | | | 33 | |
| Fund balance (deficit) at year end | | | <u>\$ (8,612)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Assessments Services Fund
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | 27,573 | 27,573 | 26,128 | (1,445) |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 89 | 89 | 499 | 410 |
| Investment earnings | 167 | 167 | 21 | (146) |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | 1 | 1 | 10 | 9 |
| Total revenues | <u>27,830</u> | <u>27,830</u> | <u>26,658</u> | <u>(1,172)</u> |
| Expenditures | | | | |
| General government | 1,763 | 167 | 187 | (20) |
| Public service | 23,580 | 26,969 | 22,788 | 4,181 |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | 724 | 724 | 639 | 85 |
| Parks and recreation | 165 | 166 | 145 | 21 |
| Capital outlay | 262 | 262 | 3 | 259 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | 2,305 | 2,305 | 1,318 | 987 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>28,799</u> | <u>30,593</u> | <u>25,080</u> | <u>5,513</u> |
| Excess (deficiency) of revenues over expenditures | (969) | (2,763) | 1,578 | 4,341 |
| Other financing sources (uses): | | | | |
| Transfers in | (110) | (110) | 290 | 400 |
| Transfers out | - | - | - | - |
| Capital lease proceeds | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>(110)</u> | <u>(110)</u> | <u>290</u> | <u>400</u> |
| Net change in fund balance | <u>\$ (1,079)</u> | <u>\$ (2,873)</u> | 1,868 | <u>\$ 4,741</u> |
| Fund balance (deficit) at beginning of year | | | (50,623) | |
| Increase (decrease) in reserve for inventory | | | (789) | |
| Fund balance (deficit) at year end | | | <u>\$ (49,544)</u> | |

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2010

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, 2010

Annual Budget Process (continued)

The City meets its legal compliance requirements to report at the budgetary level of control with the City of Toledo's Special Budgetary Comparison Report (SBCR). The SBCR reports at the appropriate budgetary level of control for Governmental Funds on a GAAP basis. Because of the complexity of the budgetary control requirement, presentation of budget versus actual financial results in this CAFR would be very detailed and voluminous. Therefore, as permitted by GAAP, the SBCR for the year ended December 31, 2010 is available for public inspection at the Department of Finance's Office.

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 appropriates.

Lapsing of Appropriations

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

SUPPLEMENTARY INFORMATION

Major Governmental Funds

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

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.

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Improvements Fund
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-----------|---|
| | Original | Final | | Actual |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | 2,421 | 2,421 | 5,559 | 3,138 |
| Charges for services | 978 | 978 | 922 | (56) |
| Investment earnings | 710 | 710 | 499 | (211) |
| Fines and forfeitures | - | - | - | - |
| Grants | 46,188 | 9,100 | 14,822 | 5,722 |
| Other revenue | 258 | - | 674 | 674 |
| Total revenues | 50,555 | 13,209 | 22,476 | 9,267 |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | 7,438 | 40,217 | 41,683 | (1,466) |
| Debt service: | | | | |
| Principal retirement | 3,374 | 28,405 | 10,284 | 18,121 |
| Interest and fiscal charges | 4,822 | 2,924 | 3,293 | (369) |
| Debt issuance costs | - | - | 102 | (102) |
| Total expenditures | 15,634 | 71,546 | 55,362 | 16,286 |
| Excess (deficiency) of revenues over expenditures | 34,921 | (58,337) | (32,886) | 25,553 |
| Other financing sources (uses): | | | | |
| Transfers in | 35,706 | 35,706 | 31,979 | (3,727) |
| Transfers out | (24,099) | (28,174) | (27,852) | 322 |
| Capital lease proceeds | - | - | 3,310 | 3,310 |
| Issuance of debt | 1,842 | 24,907 | 16,623 | (8,284) |
| Premium (discount) on bond | - | - | 171 | 171 |
| Sale of fixed assets | - | - | 35 | 35 |
| Total Other financing sources (uses): | 13,449 | 32,439 | 24,266 | (8,173) |
| Net change in fund balance | \$ 48,370 | \$ (25,898) | (8,620) | \$ 17,380 |
| Fund balance (deficit) at beginning of year | | | 47,331 | |
| Increase in reserve for inventory | | | 11 | |
| Fund balance (deficit) at year end | | | \$ 38,722 | |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - General Government
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|---|-------------------------|--------------|--------------------------|---------------------------------------|
| | Original | Final | | Positive (Negative) |
| Current | | | | |
| General Government | | | | |
| City Council | | | | |
| Personal services | \$ 1,223 | \$ 1,223 | \$ 1,222 | \$ 1 |
| Materials and supplies | 21 | 23 | 10 | 13 |
| Contractual services | 80 | 79 | 68 | 11 |
| Other | - | - | - | - |
| Total City Council | 1,324 | 1,325 | 1,300 | 25 |
| Office Of The Mayor | | | | |
| Personal services | 568 | 568 | 658 | (90) |
| Materials and supplies | 35 | 35 | 11 | 24 |
| Contractual services | 154 | 154 | 107 | 47 |
| Other | - | - | - | - |
| Total Office of the Mayor | 757 | 757 | 776 | (19) |
| Auditor | | | | |
| Personal services | 100 | 99 | 101 | (2) |
| Materials and supplies | - | - | - | - |
| Contractual services | 13 | 13 | 9 | 4 |
| Total Auditor | 113 | 112 | 110 | 2 |
| Affirmative Action | | | | |
| Personal services | 351 | 351 | 420 | (69) |
| Materials and supplies | 2 | 2 | 2 | - |
| Contractual services | 16 | 16 | 12 | 4 |
| Total Affirmative Action | 369 | 369 | 434 | (65) |
| Board Of Community Relations | | | | |
| Personal services | 100 | 100 | 112 | (12) |
| Materials and supplies | 3 | 3 | 2 | 1 |
| Contractual services | 10 | 10 | 5 | 5 |
| Total Board Of Community Relations | 113 | 113 | 119 | (6) |
| Financial Analysis | | | | |
| Personal services | 309 | 308 | 226 | 82 |
| Materials and supplies | 1 | - | - | - |
| Contractual services | 9 | 7 | 7 | - |
| Total Financial Analysis | 319 | 315 | 233 | 82 |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended December 31,2010
(amounts expressed in thousands)
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| General Government (continued) | | | | |
| General Fund Utilities | | | | |
| Contractual services | \$ 3,627 | \$ 3,628 | \$ 1,981 | \$ 1,647 |
| Total General Fund Utilities | <u>3,627</u> | <u>3,628</u> | <u>1,981</u> | <u>1,647</u> |
| Law | | | | |
| Personal services | 1,614 | 1,614 | 1,813 | (199) |
| Materials and supplies | 35 | 35 | 26 | 9 |
| Contractual services | 317 | 317 | 289 | 28 |
| Total Law | <u>1,966</u> | <u>1,966</u> | <u>2,128</u> | <u>(162)</u> |
| Finance Administration | | | | |
| Personal services | 187 | 187 | 190 | (3) |
| Materials and supplies | 1 | 3 | 3 | - |
| Contractual services | 22 | 3 | 2 | 1 |
| Total Finance Administration | <u>210</u> | <u>193</u> | <u>195</u> | <u>(2)</u> |
| Treasury | | | | |
| Personal services | 280 | 280 | 220 | 60 |
| Materials and supplies | 42 | 9 | 6 | 3 |
| Contractual services | 48 | 34 | 32 | 2 |
| Total Treasury | <u>370</u> | <u>323</u> | <u>258</u> | <u>65</u> |
| Taxation | | | | |
| Personal services | 1,500 | 1,500 | 1,403 | 97 |
| Materials and supplies | 183 | 150 | 148 | 2 |
| Contractual services | 339 | 217 | 214 | 3 |
| Total Taxation | <u>2,022</u> | <u>1,867</u> | <u>1,765</u> | <u>102</u> |
| Accounts | | | | |
| Personal services | 1,494 | 1,494 | 1,174 | 320 |
| Materials and supplies | 13 | 10 | 3 | 7 |
| Contractual services | 445 | 428 | 404 | 24 |
| Total Accounts | <u>1,952</u> | <u>1,932</u> | <u>1,581</u> | <u>351</u> |
| Finance ERP | | | | |
| Personal services | 312 | 312 | - | 312 |
| Total Finance ERP | <u>312</u> | <u>312</u> | <u>-</u> | <u>312</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended December 31,2010
(amounts expressed in thousands)
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| General Government (continued) | | | | |
| Human Resources | | | | |
| Personal services | \$ 871 | \$ 870 | \$ 701 | \$ 169 |
| Materials and supplies | 33 | 33 | 17 | 16 |
| Contractual services | 302 | 302 | 218 | 84 |
| Other | - | - | - | - |
| Total Human Resources | <u>1,206</u> | <u>1,205</u> | <u>936</u> | <u>269</u> |
| Purchasing And Supplies | | | - | |
| Personal services | 289 | 289 | 257 | 32 |
| Materials and supplies | - | 1 | 1 | - |
| Contractual services | 21 | 20 | 20 | - |
| Total Purchasing and Supplies | <u>310</u> | <u>310</u> | <u>278</u> | <u>32</u> |
| Streets Bridges and Harbors | | | | |
| Personal services | 35 | 35 | 115 | (80) |
| Materials and supplies | - | - | - | - |
| Contractual services | 1 | 1 | 2 | (1) |
| Total Streets Bridges and Harbors | <u>36</u> | <u>36</u> | <u>117</u> | <u>(81)</u> |
| Facility Operations | | | | |
| Contractual services | 286 | 286 | 280 | 6 |
| Total Facility Operations | <u>286</u> | <u>286</u> | <u>280</u> | <u>6</u> |
| Engineering Services | | | | |
| Contractual services | - | - | 1 | (1) |
| Total Solid Waste | <u>-</u> | <u>-</u> | <u>1</u> | <u>(1)</u> |
| Safety | | | | |
| Personal services | 120 | 120 | 61 | 59 |
| Contractual Services | 124 | 124 | 99 | 25 |
| Total Safety | <u>244</u> | <u>244</u> | <u>160</u> | <u>84</u> |
| Fire | | | | |
| Personal services | 79 | 78 | - | 78 |
| Materials and supplies | 28 | 28 | (63) | 91 |
| Contractual services | 10 | 10 | 5 | 5 |
| Total Fire | <u>117</u> | <u>116</u> | <u>(58)</u> | <u>174</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended December 31,2010
(amounts expressed in thousands)
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| General Government (continued) | | | | |
| Natural Resources Administration | | | | |
| Personal services | \$ 25 | \$ 25 | \$ 32 | \$ (7) |
| Materials and supplies | - | - | 1 | (1) |
| Contractual services | 86 | 86 | 65 | 21 |
| Total Natural Resources Administration | <u>111</u> | <u>111</u> | <u>98</u> | <u>13</u> |
| Recreation | | | | |
| Contractual services | - | 119 | - | 119 |
| Total Recreation | <u>-</u> | <u>119</u> | <u>-</u> | <u>119</u> |
| Fringe Benefits | | | | |
| Personal services | - | - | 182 | (182) |
| Total Fringe Benefits | <u>-</u> | <u>-</u> | <u>182</u> | <u>(182)</u> |
| General Non-Departmental Services | | | | |
| Personal services | (701) | (701) | - | (701) |
| Contractual services | 1,920 | 2,167 | 2,218 | (51) |
| Total General Non-Departmental Services | <u>1,219</u> | <u>1,466</u> | <u>2,218</u> | <u>(752)</u> |
| Total general government | <u>\$ 16,983</u> | <u>\$ 17,105</u> | <u>\$ 15,092</u> | <u>\$ 2,013</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Public Service
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|------------------------------|-------------------------|--------------|--------------------------|---------------------------------------|
| | Original | Final | | Positive (Negative) |
| Current | | | | |
| Public Service | | | | |
| General Fund Utilities | | | | |
| Contractual services | \$ - | \$ - | \$ 1,249 | \$ (1,249) |
| Total General Fund Utilities | - | - | 1,249 | (1,249) |
| | | | | |
| Parks and Forestry | | | | |
| Personal services | 124 | 124 | 55 | 69 |
| Materials and supplies | 4 | 4 | 19 | (15) |
| Contractual services | 190 | 190 | 187 | 3 |
| Total Parks and Forestry | 318 | 318 | 261 | 57 |
| | | | | |
| Total public service | \$ 318 | \$ 318 | \$ 1,510 | \$ (1,192) |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Public Safety
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with |
|---|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | Final Budget Positive (Negative) |
| Current | | | | |
| Public Safety | | | | |
| Municipal Court Judges | | | | |
| Personal services | \$ 5,339 | \$ 5,339 | \$ 5,440 | \$ (101) |
| Materials and supplies | 109 | 109 | 109 | - |
| Contractual services | 1,487 | 1,487 | 1,639 | (152) |
| Total Municipal Court Judges | <u>6,935</u> | <u>6,935</u> | <u>7,188</u> | <u>(253)</u> |
| Clerk Of Municipal Court | | | | |
| Personal services | 4,768 | 4,768 | 4,698 | 70 |
| Materials and supplies | 339 | 339 | 322 | 17 |
| Contractual services | 105 | 105 | 453 | (348) |
| Total Clerk Of Municipal Court | <u>5,212</u> | <u>5,212</u> | <u>5,473</u> | <u>(261)</u> |
| Law | | | | |
| Personal services | 381 | 381 | 385 | (4) |
| Contractual services | 24 | 24 | 27 | (3) |
| Total Law | <u>405</u> | <u>405</u> | <u>412</u> | <u>(7)</u> |
| Safety | | | | |
| Contractual services | 11,214 | 11,214 | 11,151 | 63 |
| Total Safety | <u>11,214</u> | <u>11,214</u> | <u>11,151</u> | <u>63</u> |
| Police | | | | |
| Personal services | 63,921 | 63,921 | 65,002 | (1,081) |
| Materials and supplies | 853 | 853 | 628 | 225 |
| Contractual services | 4,667 | 4,667 | 3,886 | 781 |
| Total Police | <u>69,441</u> | <u>69,441</u> | <u>69,516</u> | <u>(75)</u> |
| Fire | | | | |
| Personal services | 53,100 | 53,100 | 56,489 | (3,389) |
| Materials and supplies | 419 | 419 | 404 | 15 |
| Contractual services | 2,766 | 2,766 | 2,654 | 112 |
| Total Fire | <u>56,285</u> | <u>56,285</u> | <u>59,547</u> | <u>(3,262)</u> |
| General Non-Departmental Services | | | | |
| Contractual services | 102 | 102 | 72 | 30 |
| Total General Non-Departmental Services | <u>102</u> | <u>102</u> | <u>72</u> | <u>30</u> |
| Total public safety | <u>\$ 149,594</u> | <u>\$ 149,594</u> | <u>\$ 153,359</u> | <u>\$ (3,765)</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Community Environment
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|------------------------------|-------------------------|--------------|--------------------------|---------------------------------------|
| | Original | Final | | Positive (Negative) |
| Current | | | | |
| Community Environment | | | | |
| Planning Commission | | | | |
| Personal services | \$ 281 | \$ 281 | \$ 290 | \$ (9) |
| Materials and supplies | 14 | 13 | 10 | 3 |
| Contractual services | 32 | 32 | 38 | (6) |
| Total Planning Commission | 327 | 326 | 338 | (12) |
| General Fund Utilities | | | | |
| Contractual services | - | 272 | 328 | (56) |
| Total General Fund Utilities | - | 272 | 328 | (56) |
| HNR Administration | | | | |
| Materials and supplies | 2 | 1 | - | 1 |
| Contractual services | 8 | 9 | 8 | 1 |
| Total HNR Administration | 10 | 10 | 8 | 2 |
| Housing Division | | | | |
| Personal services | 98 | 98 | 39 | 59 |
| Materials and supplies | 40 | 40 | - | 40 |
| Total Housing Division | 138 | 138 | 39 | 99 |
| Economic Development | | | | |
| Personal services | 56 | 56 | 65 | (9) |
| Materials and supplies | 4 | 4 | 1 | 3 |
| Contractual services | 542 | 542 | 544 | (2) |
| Total Economic Development | 602 | 602 | 610 | (8) |
| Neighborhood | | | | |
| Contractual services | 156 | 156 | 4 | 152 |
| Total Neighborhood | 156 | 156 | 4 | 152 |
| Demolition | | | | |
| Personal services | 422 | 422 | 386 | 36 |
| Contractual services | 261 | 3,048 | 144 | 2,904 |
| Total Demolition | 683 | 3,470 | 530 | 2,940 |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Community Environment
For the Year Ended December 31,2010
(amounts expressed in thousands)
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Community Environment (continued) | | | | |
| Streets Bridges and Harbors | | | | |
| Personal services | \$ - | \$ - | \$ 35 | \$ (35) |
| Materials and supplies | - | - | 2 | (2) |
| Contractual services | 80 | 80 | 182 | (102) |
| Total Streets Bridges and Harbors | <u>80</u> | <u>80</u> | <u>219</u> | <u>(139)</u> |
| Waste Disposal | | | | |
| Personal services | - | - | - | - |
| Contractual services | 81 | 81 | 7 | 74 |
| Total Waste Disposal | <u>81</u> | <u>81</u> | <u>7</u> | <u>74</u> |
| Engineering Services | | | | |
| Personal services | 102 | 102 | 72 | 30 |
| Materials and supplies | 4 | 4 | 1 | 3 |
| Contractual services | 11 | 11 | 11 | - |
| Total Engineering Services | <u>117</u> | <u>117</u> | <u>84</u> | <u>33</u> |
| Building Inspection | | | | |
| Personal services | 1,539 | 1,539 | 1,511 | 28 |
| Materials and supplies | 21 | 21 | 14 | 7 |
| Contractual services | 237 | 237 | 237 | - |
| Total Building Inspection | <u>1,797</u> | <u>1,797</u> | <u>1,762</u> | <u>35</u> |
| Parks and Forestry | | | | |
| Contractual services | 1 | 1 | - | 1 |
| Total Parks and Forestry | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> |
| Total community environment | <u>\$ 3,992</u> | <u>\$ 7,050</u> | <u>\$ 3,929</u> | <u>\$ 3,121</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Health
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------------|------------------|--------------------------|---|
| | Original | Final | | |
| Current | | | | |
| Health | | | | |
| Municipal Court Judges | | | | |
| Personal services | \$ 302 | \$ 302 | \$ 317 | \$ (15) |
| Contractual services | 5 | 5 | 3 | 2 |
| Total Municipal Court Judges | <u>307</u> | <u>307</u> | <u>320</u> | <u>(13)</u> |
| Refuse Collection | | | | |
| Personal services | 5,789 | 5,789 | 5,407 | 382 |
| Materials and supplies | 17 | 17 | 16 | 1 |
| Contractual services | 1,909 | 1,909 | 1,897 | 12 |
| Total Refuse Collection | <u>7,715</u> | <u>7,715</u> | <u>7,320</u> | <u>395</u> |
| Waste Disposal | | | | |
| Personal services | 776 | 776 | 682 | 94 |
| Materials and supplies | 16 | 30 | 30 | - |
| Contractual services | 3,063 | 3,049 | 2,113 | 936 |
| Total Waste Disposal | <u>3,855</u> | <u>3,855</u> | <u>2,825</u> | <u>1,030</u> |
| Environmental Services | | | | |
| Personal services | 153 | 153 | 132 | 21 |
| Materials and supplies | 82 | 82 | 79 | 3 |
| Total Environmental Services | <u>235</u> | <u>235</u> | <u>211</u> | <u>24</u> |
| Recreation | | | | |
| Materials and supplies | - | - | 3 | (3) |
| Total Recreation | <u>-</u> | <u>-</u> | <u>3</u> | <u>(3)</u> |
| Parks and Forestry | | | | |
| Personal services | 247 | 247 | 168 | 79 |
| Materials and supplies | 7 | 7 | 7 | - |
| Contractual services | 115 | 115 | 117 | (2) |
| Total Parks and Forestry | <u>369</u> | <u>369</u> | <u>292</u> | <u>77</u> |
| Total health | <u>\$ 12,481</u> | <u>\$ 12,481</u> | <u>\$ 10,971</u> | <u>\$ 1,510</u> |

City of Toledo, Ohio
Schedule of Expenditures - Budget and Actual
General Fund - Parks and Recreation
For the Year Ended December 31,2010
(amounts expressed in thousands)

| Expenditures | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|--|-------------------------|--------------|--------------------------|---------------------------------------|
| | Original | Final | | Positive (Negative) |
| Current | | | | |
| Parks and Recreation | | | | |
| Natural Resources Administration | | | | |
| Contractual services | \$ 21 | \$ 21 | \$ 21 | \$ - |
| Total Natural Resources Administration | 21 | 21 | 21 | - |
| Recreation | | | | |
| Personal services | - | 382 | 442 | (60) |
| Materials and supplies | - | 12 | 12 | - |
| Contractual services | - | 516 | 720 | (204) |
| Total Recreation | - | 910 | 1,174 | (264) |
| Parks and Forestry | | | | |
| Personal services | 253 | 253 | 188 | 65 |
| Materials and supplies | 56 | 56 | 23 | 33 |
| Contractual services | 726 | 726 | 694 | 32 |
| Total Parks and Forestry | 1,035 | 1,035 | 905 | 130 |
| Total parks and recreation | \$ 1,056 | \$ 1,966 | \$ 2,100 | \$ (134) |
| Total capital outlay | 7 | 2,424 | 2,331 | 93 |
| Total debt service | 2,332 | 2,332 | 2,323 | 9 |
| Total expenditures | \$ 186,763 | \$ 193,270 | \$ 191,615 | \$ 1,655 |

City of Toledo, Ohio

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Other Governmental Funds

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010
(amounts expressed in thousands)

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Permanent Funds</u> | <u>Total Nonmajor Funds</u> |
|---|----------------------------|-------------------------|-----------------------------|----------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents: | | | | | |
| Cash and cash equivalents with treasurer | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents held by escrow agent | - | - | - | - | - |
| Cash and cash equivalents other | 2 | - | - | - | 2 |
| Investments | 14 | - | 220 | - | 234 |
| Restricted investments | 2,515 | - | - | 885 | 3,400 |
| Receivables (net of allowance) | 5,869 | 422 | 1,596 | 1 | 7,888 |
| Due from other: | | | | | |
| Funds | 15,726 | 162 | - | - | 15,888 |
| Governments | 11,540 | - | - | - | 11,540 |
| Inventory of supplies | 721 | - | - | - | 721 |
| Total assets | <u>\$ 36,387</u> | <u>\$ 584</u> | <u>\$ 1,816</u> | <u>\$ 886</u> | <u>\$ 39,673</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 4,155 | \$ - | \$ - | \$ - | \$ 4,155 |
| Deposits | 430 | - | 365 | 187 | 982 |
| Retainage | - | - | - | - | - |
| Due to other: | | | | | |
| Funds | 5,986 | - | 103 | 5 | 6,094 |
| Governments | - | - | - | - | - |
| Deferred revenue | 10,170 | 340 | 1,572 | - | 12,082 |
| Accrued wages and benefits | 249 | - | 1 | - | 250 |
| Compensated absences payable | - | - | - | - | - |
| Notes payable | - | - | 1,650 | - | 1,650 |
| Total liabilities | <u>20,990</u> | <u>340</u> | <u>3,691</u> | <u>192</u> | <u>25,213</u> |
| FUND BALANCES (DEFICIT) | | | | | |
| Nonspendable | 723 | - | - | 694 | 1,417 |
| Restricted | 8,825 | 136 | - | - | 8,961 |
| Committed | 13,071 | 108 | - | - | 13,179 |
| Assigned | - | - | - | - | - |
| Unassigned | (7,222) | - | (1,875) | - | (9,097) |
| Total fund balance (deficit) | <u>15,397</u> | <u>244</u> | <u>(1,875)</u> | <u>694</u> | <u>14,460</u> |
| Total liabilities and fund balance (deficit) | <u>\$ 36,387</u> | <u>\$ 584</u> | <u>\$ 1,816</u> | <u>\$ 886</u> | <u>\$ 39,673</u> |

City of Toledo, Ohio
 Combing Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2010
 (amounts expressed in thousands)

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Permanent Funds</u> | <u>Total Nonmajor Funds</u> |
|--|----------------------------|-------------------------|-----------------------------|----------------------------|---------------------------------|
| Revenues | | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - | - |
| Special assessments | - | 33 | 431 | - | 464 |
| Licenses and permits | 4 | - | - | - | 4 |
| Intergovernmental services | 12,844 | - | - | - | 12,844 |
| Charges for services | 920 | - | - | - | 920 |
| Investment earnings | 69 | - | - | - | 69 |
| Fines and forfeitures | 1,162 | - | - | - | 1,162 |
| Grants | 19,316 | - | - | - | 19,316 |
| Other revenue | 2,619 | - | - | - | 2,619 |
| Total revenues | <u>36,934</u> | <u>33</u> | <u>431</u> | <u>-</u> | <u>37,398</u> |
| Expenditures | | | | | |
| General government | 409 | 156 | - | - | 565 |
| Public service | 10,536 | - | - | - | 10,536 |
| Public safety | 6,015 | - | - | - | 6,015 |
| Public utilities | 2 | - | - | - | 2 |
| Community environment | 27,150 | - | - | - | 27,150 |
| Health | 2,117 | - | - | - | 2,117 |
| Parks and recreation | 415 | - | - | - | 415 |
| Capital outlay | 43 | - | 243 | - | 286 |
| Debt service: | | | | | |
| Principal retirement | 115 | 13,382 | - | - | 13,497 |
| Interest and fiscal charges | 16 | 6,056 | 420 | - | 6,492 |
| Debt issuance costs | - | - | - | - | - |
| Total expenditures | <u>46,818</u> | <u>19,594</u> | <u>663</u> | <u>-</u> | <u>67,075</u> |
| Excess (deficiency) of revenues over expenditures | (9,884) | (19,561) | (232) | - | (29,677) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | 19,671 | - | - | 19,671 |
| Transfers out | (3,014) | - | - | - | (3,014) |
| Capital lease proceeds | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - |
| Premium (discount) on bond | - | - | - | - | - |
| Sale of fixed assets | 11 | - | - | - | 11 |
| Total other financing sources (uses) | <u>(3,003)</u> | <u>19,671</u> | <u>-</u> | <u>-</u> | <u>16,668</u> |
| Net change in fund balance | (12,887) | 110 | (232) | - | (13,009) |
| Fund balance (deficit) at beginning of year | 28,367 | 134 | (1,643) | 694 | 27,552 |
| Increase (decrease) in reserve for inventory | (83) | - | - | - | (83) |
| Fund balance (deficit) at year end | <u>\$ 15,397</u> | <u>\$ 244</u> | <u>\$ (1,875)</u> | <u>\$ 694</u> | <u>\$ 14,460</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 Improvements - To account for those proceeds from parkland sales designated by City Council for minor purchases of park property and equipment.

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

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

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

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

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

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

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2010
(amounts expressed in thousands)

| | Federal Block Grants | Operation Grants | Urban Development Action Grants | Street Construction Maintenance and Repair | Cemetery Maintenance | Golf Improvements | Parkland Improvements |
|---|-------------------------------------|-----------------------------|--|---|---------------------------------|------------------------------|----------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents: | | | | | | | |
| Cash and cash equivalents with treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents held by escrow agent | - | - | - | - | - | - | - |
| Cash and cash equivalents other | 1 | - | - | - | - | - | - |
| Investments | - | - | 14 | - | - | - | - |
| Restricted investments | - | - | - | - | - | - | - |
| Receivables (net of allowance) | 1 | 3,041 | - | 439 | 3 | - | 17 |
| Due from other: | | | | | | | |
| Funds | - | 4,181 | 682 | 5,768 | 46 | 199 | 271 |
| Governments | 6,292 | - | - | 3,983 | - | - | - |
| Inventory of supplies | - | - | - | 721 | - | - | - |
| Total assets | \$ 6,294 | \$ 7,222 | \$ 696 | \$ 10,911 | \$ 49 | \$ 199 | \$ 288 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 2,398 | \$ 1,426 | \$ - | \$ 80 | \$ - | \$ - | \$ - |
| Deposits | 11 | 140 | 8 | - | - | - | - |
| Retainage | - | - | - | - | - | - | - |
| Due to other: | | | | | | | |
| Funds | 2,461 | - | - | - | - | - | - |
| Governments | - | - | - | - | - | - | - |
| Deferred revenue | 6,292 | - | - | 2,613 | - | - | - |
| Accrued wages and benefits | 71 | 34 | - | 136 | - | - | - |
| Compensated absences payable | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - |
| Total liabilities | 11,233 | 1,600 | 8 | 2,829 | - | - | - |
| FUND BALANCES (DEFICIT) | | | | | | | |
| Nonspendable | 1 | - | - | 721 | - | - | - |
| Restricted | - | 5,622 | 688 | - | - | - | - |
| Committed | - | - | - | 7,361 | 49 | 199 | 288 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | (4,940) | - | - | - | - | - | - |
| Total fund balance (deficit) | (4,939) | 5,622 | 688 | 8,082 | 49 | 199 | 288 |
| Total liabilities and fund balance (deficit) | \$ 6,294 | \$ 7,222 | \$ 696 | \$ 10,911 | \$ 49 | \$ 199 | \$ 288 |

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2010
(amounts expressed 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 cash equivalents: | | | | | | | |
| Cash and cash equivalents with treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents held by escrow agent | - | - | - | - | - | - | - |
| Cash and cash equivalents other | - | 1 | - | - | - | - | 2 |
| Investments | - | - | - | - | - | - | 14 |
| Restricted investments | - | - | 66 | 2,449 | - | - | 2,515 |
| Receivables (net of allowance) | - | 10 | 1,016 | 16 | 1,326 | - | 5,869 |
| Due from other: | | | | | | | |
| Funds | 247 | 34 | 4,296 | - | - | 2 | 15,726 |
| Governments | - | - | - | - | 1,265 | - | 11,540 |
| Inventory of supplies | - | - | - | - | - | - | 721 |
| Total assets | \$ 247 | \$ 45 | \$ 5,378 | \$ 2,465 | \$ 2,591 | \$ 2 | \$ 36,387 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ 3 | \$ 153 | \$ 18 | \$ 77 | \$ - | \$ 4,155 |
| Deposits | - | - | 271 | - | - | - | 430 |
| Retainage | - | - | - | - | - | - | - |
| Due to other: | | | | | | | |
| Funds | - | - | - | 1,430 | 2,095 | - | 5,986 |
| Governments | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | 1,265 | - | 10,170 |
| Accrued wages and benefits | - | - | 4 | - | 4 | - | 249 |
| Compensated absences payable | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - |
| Total liabilities | - | 3 | 428 | 1,448 | 3,441 | - | 20,990 |
| FUND BALANCES (DEFICIT) | | | | | | | |
| Nonspendable | - | 1 | - | - | - | - | 723 |
| Restricted | - | - | 66 | 2,449 | - | - | 8,825 |
| Committed | 247 | 41 | 4,884 | - | - | 2 | 13,071 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | (1,432) | (850) | - | (7,222) |
| Total fund balance (deficit) | 247 | 42 | 4,950 | 1,017 | (850) | 2 | 15,397 |
| Total liabilities and fund balance (deficit) | \$ 247 | \$ 45 | \$ 5,378 | \$ 2,465 | \$ 2,591 | \$ 2 | \$ 36,387 |

City of Toledo, Ohio

Combing Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended December 31,2010

(amounts expressed in thousands)

| | Federal Block Grants | Operation Grants | Urban Development Action Grants | Street Construction Maintenance and Repair | Cemetery Maintenance | Golf Improvements | Parkland Improvements |
|--|-------------------------------------|-----------------------------|--|---|---------------------------------|------------------------------|----------------------------------|
| Revenues | | | | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 4 | - | - | - |
| Intergovernmental services | - | - | - | 12,844 | - | - | - |
| Charges for services | 7 | - | - | 5 | - | 258 | - |
| Investment earnings | - | - | - | - | 19 | - | - |
| Fines and forfeitures | - | 146 | - | 5 | - | - | - |
| Grants | 7,905 | 10,476 | - | - | - | - | - |
| All other revenue | 178 | - | - | 43 | - | - | 69 |
| Total revenues | 8,090 | 10,622 | - | 12,901 | 19 | 258 | 69 |
| Expenditures | | | | | | | |
| General government | - | - | - | 121 | - | - | - |
| Public service | - | - | - | 10,536 | - | - | - |
| Public safety | - | 4,585 | - | 109 | - | - | - |
| Public utilities | - | - | - | 2 | - | - | - |
| Community environment | 18,128 | 6,094 | - | 7 | - | - | - |
| Health | - | 1,879 | - | - | 11 | - | - |
| Parks and recreation | - | 292 | - | - | - | - | - |
| Capital outlay | - | 14 | - | 2 | - | - | - |
| Debt service: | | | | | | | |
| Principal retirement | 115 | - | - | - | - | - | - |
| Interest and fiscal charges | 16 | - | - | - | - | - | - |
| Debt issuance costs | - | - | - | - | - | - | - |
| Total expenditures | 18,259 | 12,864 | - | 10,777 | 11 | - | - |
| Excess (deficiency) of revenues over expenditures | (10,169) | (2,242) | - | 2,124 | 8 | 258 | 69 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | (17) | - | - | (1,590) | - | (278) | - |
| Issuance of debt | - | - | - | - | - | - | - |
| Premium (discount) on bond | - | - | - | - | - | - | - |
| Sale of fixed assets | 3 | - | - | - | - | - | - |
| Total other financing sources (uses) | (14) | - | - | (1,590) | - | (278) | - |
| Net change in fund balance | (10,183) | (2,242) | - | 534 | 8 | (20) | 69 |
| Fund balance (deficit) at beginning of year | 5,244 | 7,864 | 688 | 7,631 | 41 | 219 | 219 |
| Increase (decrease) in reserve for inventory | - | - | - | (83) | - | - | - |
| Fund balance (deficit) at year end | \$ (4,939) | \$ 5,622 | \$ 688 | \$ 8,082 | \$ 49 | \$ 199 | \$ 288 |

City of Toledo, Ohio
 Combing Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Special Revenue Funds
 For the Year Ended December 31,2010
 (amounts expressed 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 | | | | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | 4 |
| Intergovernmental services | - | - | - | - | - | - | 12,844 |
| Charges for services | 59 | 85 | 455 | 51 | - | - | 920 |
| Investment earnings | - | - | 45 | 5 | - | - | 69 |
| Fines and forfeitures | - | - | 1,011 | - | - | - | 1,162 |
| Grants | - | - | 28 | - | 907 | - | 19,316 |
| All other revenue | - | - | 2,321 | 7 | - | 1 | 2,619 |
| Total revenues | 59 | 85 | 3,860 | 63 | 907 | 1 | 36,934 |
| Expenditures | | | | | | | |
| General government | - | - | 288 | - | - | - | 409 |
| Public service | - | - | - | - | - | - | 10,536 |
| Public safety | - | - | 1,321 | - | - | - | 6,015 |
| Public utilities | - | - | - | - | - | - | 2 |
| Community environment | - | - | 185 | - | 2,736 | - | 27,150 |
| Health | 19 | - | 208 | - | - | - | 2,117 |
| Parks and recreation | - | 32 | 83 | 8 | - | - | 415 |
| Capital outlay | - | - | 27 | - | - | - | 43 |
| Debt service: | | | | | | | |
| Principal retirement | - | - | - | - | - | - | 115 |
| Interest and fiscal charges | - | - | - | - | - | - | 16 |
| Debt issuance costs | - | - | - | - | - | - | - |
| Total expenditures | 19 | 32 | 2,112 | 8 | 2,736 | - | 46,818 |
| Excess (deficiency) of revenues over expenditures | 40 | 53 | 1,748 | 55 | (1,829) | 1 | (9,884) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | (100) | (1,029) | - | - | (3,014) |
| Issuance of debt | - | - | - | - | - | - | - |
| Premium (discount) on bonds | - | - | - | - | - | - | - |
| Sale of fixed assets | - | - | 8 | - | - | - | 11 |
| Total other financing sources (uses) | - | - | (92) | (1,029) | - | - | (3,003) |
| Net change in fund balance | 40 | 53 | 1,656 | (974) | (1,829) | 1 | (12,887) |
| Fund balance (deficit) at beginning of year | 207 | (11) | 3,294 | 1,991 | 979 | 1 | 28,367 |
| Increase in reserve for inventory | - | - | - | - | - | - | (83) |
| Fund balance (deficit) at year end | \$ 247 | \$ 42 | \$ 4,950 | \$ 1,017 | \$ (850) | \$ 2 | \$ 15,397 |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Federal Block Grants
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 32 | 6 | 7 | 1 |
| Investment earnings | - | 5 | - | (5) |
| Fines and forfeitures | - | - | - | - |
| Grants | 15,802 | 7,905 | 7,905 | - |
| Other revenue | 28 | 1,233 | 178 | (1,055) |
| Total revenues | <u>15,862</u> | <u>9,149</u> | <u>8,090</u> | <u>(1,059)</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | 20,239 | 18,148 | 18,128 | 20 |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | 13 | - | - | - |
| Debt service: | | | | |
| Principal retirement | 110 | 110 | 115 | (5) |
| Interest and fiscal charges | 463 | 23 | 16 | 7 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>20,825</u> | <u>18,281</u> | <u>18,259</u> | <u>22</u> |
| Excess (deficiency) of revenues over expenditures | (4,963) | (9,132) | (10,169) | (1,037) |
| Other financing sources (uses): | | | | |
| Transfers in | (452) | (338) | - | 338 |
| Transfers out | - | (17) | (17) | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | (1) | 3 | 3 | - |
| Total Other financing sources (uses): | <u>(453)</u> | <u>(352)</u> | <u>(14)</u> | <u>338</u> |
| Net change in fund balance | <u>\$ (5,416)</u> | <u>\$ (9,484)</u> | (10,183) | <u>\$ (699)</u> |
| Fund balance (deficit) at beginning of year | | | 5,244 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ (4,939)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Operation Grants
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | (268) | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | (1,816) | 146 | 146 | - |
| Grants | 33,461 | 12,188 | 10,476 | (1,712) |
| Other revenue | 16 | - | - | - |
| Total revenues | <u>31,393</u> | <u>12,334</u> | <u>10,622</u> | <u>(1,712)</u> |
| Expenditures | | | | |
| General government | 50 | - | - | - |
| Public service | - | - | - | - |
| Public safety | 10,948 | 4,584 | 4,585 | (1) |
| Public utilities | - | - | - | - |
| Community environment | 19,797 | 6,020 | 6,094 | (74) |
| Health | 2,494 | 1,848 | 1,879 | (31) |
| Parks and recreation | 100 | 100 | 292 | (192) |
| Capital outlay | 596 | 279 | 14 | 265 |
| Debt service: | | | | - |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>33,985</u> | <u>12,831</u> | <u>12,864</u> | <u>(33)</u> |
| Excess (deficiency) of revenues over expenditures | (2,592) | (497) | (2,242) | (1,745) |
| Other financing sources (uses): | | | | |
| Transfers in | 27 | - | - | - |
| Transfers out | (27) | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (2,592)</u> | <u>\$ (497)</u> | (2,242) | <u>\$ (1,745)</u> |
| Fund balance (deficit) at beginning of year | | | 7,864 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 5,622</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Urban Development Action Grant
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | 11 | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>11</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (11) | - | - | - |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (11)</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balance (deficit) at beginning of year | | | 688 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 688</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | 75 | 75 | 4 | (71) |
| Intergovernmental services | 12,950 | 12,950 | 12,844 | (106) |
| Charges for services | 5 | 5 | 5 | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | 85 | 85 | 5 | (80) |
| Grants | - | - | - | - |
| Other revenue | 4 | 4 | 43 | 39 |
| Total revenues | <u>13,119</u> | <u>13,119</u> | <u>12,901</u> | <u>(218)</u> |
| Expenditures | | | | |
| General government | 373 | 373 | 121 | 252 |
| Public service | 12,450 | 12,460 | 10,536 | 1,924 |
| Public safety | 123 | 123 | 109 | 14 |
| Public utilities | - | - | 2 | (2) |
| Community environment | 11 | 11 | 7 | 4 |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | 43 | 43 | 2 | 41 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>13,000</u> | <u>13,010</u> | <u>10,777</u> | <u>2,233</u> |
| Excess (deficiency) of revenues over expenditures | 119 | 109 | 2,124 | 2,015 |
| Other financing sources (uses): | | | | |
| Transfers in | 230 | 230 | - | (230) |
| Transfers out | (1,589) | (1,589) | (1,590) | (1) |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>(1,359)</u> | <u>(1,359)</u> | <u>(1,590)</u> | <u>(231)</u> |
| Net change in fund balance | <u>\$ (1,240)</u> | <u>\$ (1,250)</u> | 534 | <u>\$ 1,784</u> |
| Fund balance (deficit) at beginning of year | | | 7,631 | |
| Increase (decrease) in reserve for inventory | | | (83) | |
| Fund balance (deficit) at year end | | | <u>\$ 8,082</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Cemetery Maintenance
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | 12 | 12 | 19 | 7 |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>12</u> | <u>12</u> | <u>19</u> | <u>7</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | 15 | 15 | 11 | 4 |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>15</u> | <u>15</u> | <u>11</u> | <u>4</u> |
| Excess (deficiency) of revenues over expenditures | (3) | (3) | 8 | 11 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (3)</u> | <u>\$ (3)</u> | 8 | <u>\$ 11</u> |
| Fund balance (deficit) at beginning of year | | | 41 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 49</u> | |

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Special Revenue Funds

Golf Improvements

For the Year Ended December 31,2010

(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 150 | 150 | 258 | 108 |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>150</u> | <u>150</u> | <u>258</u> | <u>108</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 150 | 150 | 258 | 108 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (278) | (278) | (278) | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>(278)</u> | <u>(278)</u> | <u>(278)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (128)</u> | <u>\$ (128)</u> | <u>(20)</u> | <u>\$ 108</u> |
| Fund balance (deficit) at beginning of year | | | 219 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 199</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Parkland Improvements
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | 25 | 25 | 69 | 44 |
| Total revenues | <u>25</u> | <u>25</u> | <u>69</u> | <u>44</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 25 | 25 | 69 | 44 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 25</u> | <u>\$ 25</u> | 69 | <u>\$ 44</u> |
| Fund balance (deficit) at beginning of year | | | 219 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 288</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Cemeteries Property Acquisition Site Development
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 24 | 24 | 59 | 35 |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>24</u> | <u>24</u> | <u>59</u> | <u>35</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | 21 | 21 | 19 | 2 |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>21</u> | <u>21</u> | <u>19</u> | <u>2</u> |
| Excess (deficiency) of revenues over expenditures | 3 | 3 | 40 | 37 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 3</u> | <u>\$ 3</u> | 40 | <u>\$ 37</u> |
| Fund balance (deficit) at beginning of year | | | 207 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 247</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Marina Development
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 109 | 109 | 85 | (24) |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>109</u> | <u>109</u> | <u>85</u> | <u>(24)</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | 117 | 117 | 32 | 85 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>117</u> | <u>117</u> | <u>32</u> | <u>85</u> |
| Excess (deficiency) of revenues over expenditures | (8) | (8) | 53 | 61 |
| Other financing sources (uses): | | | | |
| Transfers in | 15 | 15 | - | (15) |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>15</u> | <u>15</u> | <u>-</u> | <u>(15)</u> |
| Net change in fund balance | <u>\$ 7</u> | <u>\$ 7</u> | 53 | <u>\$ 46</u> |
| Fund balance (deficit) at beginning of year | | | (11) | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 42</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Expendable Trusts
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | 118 | 118 | 455 | 337 |
| Investment earnings | - | - | 45 | 45 |
| Fines and forfeitures | - | - | 1,011 | 1,011 |
| Grants | - | - | 28 | 28 |
| Other revenue | - | - | 2,321 | 2,321 |
| Total revenues | <u>118</u> | <u>118</u> | <u>3,860</u> | <u>3,742</u> |
| Expenditures | | | | |
| General government | 802 | 288 | 288 | - |
| Public service | - | - | - | - |
| Public safety | 1,136 | 1,193 | 1,321 | (128) |
| Public utilities | - | - | - | - |
| Community environment | 187 | 186 | 185 | 1 |
| Health | 648 | 208 | 208 | - |
| Parks and recreation | 212 | 88 | 83 | 5 |
| Capital outlay | 8 | 8 | 27 | (19) |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>2,993</u> | <u>1,971</u> | <u>2,112</u> | <u>(141)</u> |
| Excess (deficiency) of revenues over expenditures | (2,875) | (1,853) | 1,748 | 3,601 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (223) | (100) | (100) | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | 8 | 8 |
| Total Other financing sources (uses): | <u>(223)</u> | <u>(100)</u> | <u>(92)</u> | <u>8</u> |
| Net change in fund balance | <u>\$ (3,098)</u> | <u>\$ (1,953)</u> | 1,656 | <u>\$ 3,609</u> |
| Fund balance (deficit) at beginning of year | | | 3,294 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 4,950</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Toledo City Parks
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | 51 | 51 |
| Investment earnings | 51 | 51 | 5 | (46) |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | 7 | 7 |
| Total revenues | <u>51</u> | <u>51</u> | <u>63</u> | <u>12</u> |
| Expenditures | | | | |
| General government | 119 | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | 910 | - | 8 | (8) |
| Capital outlay | 1 | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>1,030</u> | <u>-</u> | <u>8</u> | <u>(8)</u> |
| Excess (deficiency) of revenues over expenditures | (979) | 51 | 55 | 4 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (871) | (1,029) | (1,029) | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>(871)</u> | <u>(1,029)</u> | <u>(1,029)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (1,850)</u> | <u>\$ (978)</u> | (974) | <u>\$ 4</u> |
| Fund balance (deficit) at beginning of year | | | 1,991 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 1,017</u> | |

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Special Revenue Funds

Toledo Home Program

For the Year Ended December 31, 2010

(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | (880) | 907 | 907 | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>(880)</u> | <u>907</u> | <u>907</u> | <u>-</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | 6,290 | 2,736 | 2,736 | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>6,290</u> | <u>2,736</u> | <u>2,736</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (7,170) | (1,829) | (1,829) | - |
| Other financing sources (uses): | | | | |
| Transfers in | 54 | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>54</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (7,116)</u> | <u>\$ (1,829)</u> | (1,829) | <u>\$ -</u> |
| Fund balance (deficit) at beginning of year | | | 979 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ (850)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Right of Way
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | 1 | 1 |
| Total revenues | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | - | 1 | 1 |
| Other financing sources (uses): | | | | |
| Transfers in | 230 | 230 | - | (230) |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>230</u> | <u>230</u> | <u>-</u> | <u>(230)</u> |
| Net change in fund balance | <u>\$ 230</u> | <u>\$ 230</u> | 1 | <u>\$ (229)</u> |
| Fund balance (deficit) at beginning of year | | | 1 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 2</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Total
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | 75 | 75 | 4 | (71) |
| Intergovernmental services | 12,950 | 12,950 | 12,844 | (106) |
| Charges for services | 169 | 411 | 920 | 509 |
| Investment earnings | 63 | 68 | 69 | 1 |
| Fines and forfeitures | (1,731) | 231 | 1,162 | 931 |
| Grants | 48,383 | 21,000 | 19,316 | (1,684) |
| Other revenue | 73 | 1,261 | 2,619 | 1,358 |
| Total revenues | <u>59,982</u> | <u>35,996</u> | <u>36,934</u> | <u>938</u> |
| Expenditures | | | | |
| General government | 1,344 | 662 | 409 | 253 |
| Public service | 12,450 | 12,460 | 10,536 | 1,924 |
| Public safety | 12,208 | 5,900 | 6,015 | (115) |
| Public utilities | - | - | 2 | (2) |
| Community environment | 46,536 | 27,101 | 27,150 | (49) |
| Health | 3,178 | 2,091 | 2,117 | (26) |
| Parks and recreation | 1,339 | 306 | 415 | (109) |
| Capital outlay | 661 | 330 | 43 | 287 |
| Debt service: | | | | |
| Principal retirement | 110 | 110 | 115 | (5) |
| Interest and fiscal charges | 463 | 23 | 16 | 7 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>78,289</u> | <u>48,983</u> | <u>46,818</u> | <u>2,165</u> |
| Excess (deficiency) of revenues over expenditures | (18,307) | (12,987) | (9,884) | 3,103 |
| Other financing sources (uses): | | | | |
| Transfers in | 104 | 136 | - | (136) |
| Transfers out | (2,988) | (3,014) | (3,014) | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | (1) | 3 | 11 | 8 |
| Total Other financing sources (uses): | <u>(2,885)</u> | <u>(2,875)</u> | <u>(3,003)</u> | <u>(128)</u> |
| Net change in fund balance | <u>\$ (21,192)</u> | <u>\$ (15,862)</u> | (12,887) | <u>\$ 2,975</u> |
| Fund balance (deficit) at beginning of year | | | 28,367 | |
| Increase (decrease) in reserve for inventory | | | (83) | |
| Fund balance (deficit) at year end | | | <u>\$ 15,397</u> | |

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.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
December 31, 2010
(amounts expressed in thousands)

| | General Obligation | Special Assessment Debt Service | Total Debt Service Funds |
|---|-------------------------------|--|---|
| ASSETS | | | |
| Cash and cash equivalents: | | | |
| Cash and cash equivalents with treasurer | \$ - | \$ - | \$ - |
| Cash and cash equivalents held by escrow agent | - | - | - |
| Cash and cash equivalents other | - | - | - |
| Investments | - | - | - |
| Restricted investments | - | - | - |
| Receivables (net of allowance) | 83 | 339 | 422 |
| Due from other: | | | |
| Funds | 25 | 137 | 162 |
| Governments | - | - | - |
| Inventory of supplies | - | - | - |
| Total assets | \$ 108 | \$ 476 | \$ 584 |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Deposits | - | - | - |
| Retainage | - | - | - |
| Due to other: | | | |
| Funds | - | - | - |
| Governments | - | - | - |
| Deferred revenue | - | 340 | 340 |
| Accrued wages and benefits | - | - | - |
| Compensated absences payable | - | - | - |
| Notes payable | - | - | - |
| Total liabilities | - | 340 | 340 |
| FUND BALANCES (DEFICIT) | | | |
| Nonspendable | - | - | - |
| Restricted | - | 136 | 136 |
| Committed | 108 | - | 108 |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total fund balance (deficit) | 108 | 136 | 244 |
| Total liabilities and fund balance (deficit) | \$ 108 | \$ 476 | \$ 584 |

City of Toledo, Ohio
 Combing Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Debt Service Funds
 For the Year Ended December 31,2010
 (amounts expressed in thousands)

| | General Obligation | Special Assessment Debt Service | Total Debt service Funds |
|--|-------------------------------|--|---|
| Revenues | | | |
| Income taxes | \$ - | \$ - | - |
| Property taxes | - | - | - |
| Special assessments | - | 33 | 33 |
| Licenses and permits | - | - | - |
| Intergovernmental services | - | - | - |
| Charges for services | - | - | - |
| Investment earnings | - | - | - |
| Fines and forfeitures | - | - | - |
| Grants | - | - | - |
| Other revenue | - | - | - |
| Total revenues | - | 33 | 33 |
| Expenditures | | | |
| General government | 156 | - | 156 |
| Public service | - | - | - |
| Public safety | - | - | - |
| Public utilities | - | - | - |
| Community environment | - | - | - |
| Health | - | - | - |
| Parks and recreation | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | 13,357 | 25 | 13,382 |
| Interest and fiscal charges | 6,050 | 6 | 6,056 |
| Debt issuance costs | - | - | - |
| Total expenditures | 19,563 | 31 | 19,594 |
| Excess (deficiency) of revenues over expenditures | (19,563) | 2 | (19,561) |
| Other financing sources (uses): | | | |
| Transfers in | 19,671 | - | 19,671 |
| Transfers out | - | - | - |
| Note proceeds | - | - | - |
| Sale of fixed assets | - | - | - |
| Bond proceeds | - | - | - |
| Premium (discount) on bond | - | - | - |
| Other revenue (expenses) | - | - | - |
| Total other financing sources (uses) | 19,671 | - | 19,671 |
| Net change in fund balance | 108 | 2 | 110 |
| Fund balance (deficit) at beginning of year | - | 134 | 134 |
| Increase (decrease) in reserve for inventory | - | - | - |
| Fund balance (deficit) at year end | \$ 108 | \$ 136 | \$ 244 |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Services Funds
General Obligation
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| General government | - | - | 156 | (156) |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 11,212 | 13,712 | 13,357 | 355 |
| Interest and fiscal charges | 4,946 | 6,460 | 6,050 | 410 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>16,158</u> | <u>20,172</u> | <u>19,563</u> | <u>609</u> |
| Excess (deficiency) of revenues over expenditures | (16,158) | (20,172) | (19,563) | 609 |
| Other financing sources (uses): | | | | |
| Transfers in | 17,441 | 17,441 | 19,671 | 2,230 |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>17,441</u> | <u>17,441</u> | <u>19,671</u> | <u>2,230</u> |
| Net change in fund balance | <u>\$ 1,283</u> | <u>\$ (2,731)</u> | 108 | <u>\$ 2,839</u> |
| Fund balance (deficit) at beginning of year | | | - | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 108</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Funds
Special Assessment Debt Service
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | 62 | 62 | 33 | (29) |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>62</u> | <u>62</u> | <u>33</u> | <u>(29)</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 17 | 27 | 25 | 2 |
| Interest and fiscal charges | 7 | 7 | 6 | 1 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>24</u> | <u>34</u> | <u>31</u> | <u>3</u> |
| Excess (deficiency) of revenues over expenditures | 38 | 28 | 2 | (26) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 38</u> | <u>\$ 28</u> | 2 | <u>\$ (26)</u> |
| Fund balance (deficit) at beginning of year | | | 134 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 136</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Services Funds
Total Debt Service Funds
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special assessments | 62 | 62 | 33 | (29) |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>62</u> | <u>62</u> | <u>33</u> | <u>(29)</u> |
| Expenditures | | | | |
| General government | - | - | 156 | (156) |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 11,229 | 13,739 | 13,382 | 357 |
| Interest and fiscal charges | 4,953 | 6,467 | 6,056 | 411 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>16,182</u> | <u>20,206</u> | <u>19,594</u> | <u>612</u> |
| Excess (deficiency) of revenues over expenditures | (16,120) | (20,144) | (19,561) | 583 |
| Other financing sources (uses): | | | | |
| Transfers in | 17,441 | 17,441 | 19,671 | 2,230 |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premium (discount) on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>17,441</u> | <u>17,441</u> | <u>19,671</u> | <u>2,230</u> |
| Net change in fund balance | <u>\$ 1,321</u> | <u>\$ (2,703)</u> | 110 | <u>\$ 2,813</u> |
| Fund balance (deficit) at beginning of year | | | 134 | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ 244</u> | |

City of Toledo, Ohio

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Nonmajor Capital Projects Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Fund
December 31, 2010
(amounts expressed in thousands)

| | Special Assessment Improvements |
|---|--|
| ASSETS | |
| Cash and cash equivalents: | |
| Cash and cash equivalents with treasurer | \$ - |
| Cash and cash equivalents held by escrow agent | - |
| Cash and cash equivalents other | - |
| Investments | 220 |
| Restricted investments | - |
| Receivables (net of allowance) | 1,596 |
| Due from other: | |
| Funds | - |
| Governments | - |
| Inventory of supplies | - |
| Total assets | \$ 1,816 |
| LIABILITIES | |
| Accounts payable | \$ - |
| Deposits | 365 |
| Retainage | - |
| Due to other: | |
| Funds | 103 |
| Governments | - |
| Deferred revenue | 1,572 |
| Accrued wages and benefits | 1 |
| Compensated absences payable | - |
| Notes payable | 1,650 |
| Total liabilities | 3,691 |
| FUND BALANCES (DEFICIT) | |
| Nonspendable | - |
| Restricted | - |
| Committed | - |
| Assigned | - |
| Unassigned | (1,875) |
| Total fund balance (deficit) | (1,875) |
| Total liabilities and fund balance (deficit) | \$ 1,816 |

City of Toledo, Ohio

Combing Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Capital Projects Fund
 For the Year Ended December 31,2010
 (amounts expressed in thousands)

| | Special Assessment Improvements |
|--|--|
| Revenues | |
| Income taxes | \$ - |
| Property taxes | - |
| Special assessments | 431 |
| Licenses and permits | - |
| Intergovernmental services | - |
| Charges for services | - |
| Investment earnings | - |
| Fines and forfeitures | - |
| Grants | - |
| Other revenue | - |
| Total revenues | <u>431</u> |
| Expenditures | |
| General government | - |
| Public service | - |
| Public safety | - |
| Public utilities | - |
| Community environment | - |
| Health | - |
| Parks and recreation | - |
| Capital outlay | 243 |
| Debt service: | |
| Principal retirement | - |
| Interest and fiscal charges | 420 |
| Debt issuance costs | - |
| Total expenditures | <u>663</u> |
| Excess (deficiency) of revenues over expenditures | (232) |
| Other financing sources (uses): | |
| Transfers in | - |
| Transfers out | - |
| Issuance of debt | - |
| Premium (discount) on bond | - |
| Sale of fixed assets | - |
| Total other financing sources (uses) | <u>-</u> |
| Net change in fund balance | (232) |
| Fund balance (deficit) at beginning of year | (1,643) |
| Increase (decrease) in reserve for inventory | - |
| Fund balance (deficit) at year end | <u><u>\$ (1,875)</u></u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
Special Assessments Improvements
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Income taxes | \$ - | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Special Assessments | 447 | 447 | 431 | (16) |
| Licenses and permits | - | - | - | - |
| Intergovernmental services | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | 2 | 2 | - | (2) |
| Fines and forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other revenue | - | - | - | - |
| Total revenues | <u>449</u> | <u>449</u> | <u>431</u> | <u>(18)</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Public service | - | - | - | - |
| Public safety | - | - | - | - |
| Public utilities | - | - | - | - |
| Community environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | 298 | 298 | 243 | 55 |
| Debt service: | | | | |
| Principal retirement | 560 | - | - | - |
| Interest and fiscal charges | 96 | 376 | 420 | (44) |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>954</u> | <u>674</u> | <u>663</u> | <u>11</u> |
| Excess (deficiency) of revenues over expenditures | (505) | (225) | (232) | (7) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Issuance of debt | - | - | - | - |
| Premiums on bond | - | - | - | - |
| Sale of fixed assets | - | - | - | - |
| Total Other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (505)</u> | <u>\$ (225)</u> | (232) | <u>\$ (7)</u> |
| Fund balance (deficit) at beginning of year | | | (1,643) | |
| Increase (decrease) in reserve for inventory | | | - | |
| Fund balance (deficit) at year end | | | <u>\$ (1,875)</u> | |

City of Toledo, Ohio

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Nonmajor Permanent Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2010
(amounts expressed in thousands)

| | Cemetery Perpetual Care Fund |
|---|---|
| ASSETS | |
| Cash and cash equivalents: | |
| Cash and cash equivalents with treasurer | \$ - |
| Cash and cash equivalents held by escrow agent | - |
| Cash and cash equivalents other | - |
| Investments | - |
| Restricted investments | 885 |
| Receivables (net of allowance) | 1 |
| Due from other: | |
| Funds | - |
| Governments | - |
| Inventory of supplies | - |
| Total assets | \$ 886 |
| LIABILITIES | |
| Accounts payable | \$ - |
| Deposits | 187 |
| Retainage | - |
| Due to other: | |
| Funds | 5 |
| Governments | - |
| Deferred revenue | - |
| Accrued wages and benefits | - |
| Compensated absences payable | - |
| Notes payable | - |
| Total liabilities | 192 |
| FUND BALANCES (DEFICIT) | |
| Nonspendable | 694 |
| Restricted | - |
| Committed | - |
| Assigned | - |
| Unassigned | - |
| Total fund balance (deficit) | 694 |
| Total liabilities and fund balance (deficit) | \$ 886 |

City of Toledo, Ohio
 Combing Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 Permanent Fund
 For the Year Ended December 31,2010
 (amounts expressed in thousands)

| | Cemetery Perpetual Care Fund |
|--|---|
| Revenues | |
| Income taxes | \$ - |
| Property taxes | - |
| Special assessments | - |
| Licenses and permits | - |
| Intergovernmental services | - |
| Charges for services | - |
| Investment earnings | - |
| Fines and forfeitures | - |
| Grants | - |
| Other revenue | - |
| Total revenues | - |
| Expenditures | |
| General government | - |
| Public service | - |
| Public safety | - |
| Public utilities | - |
| Community environment | - |
| Health | - |
| Parks and recreation | - |
| Capital outlay | - |
| Debt service: | |
| Principal retirement | - |
| Interest and fiscal charges | - |
| Debt issuance costs | - |
| Total expenditures | - |
| Excess (deficiency) of revenues over expenditures | - |
| Other financing sources (uses): | |
| Transfers in | - |
| Transfers out | - |
| Issuance of debt | - |
| Premium (discount) on bond | - |
| Sale of fixed assets | - |
| Total other financing sources (uses) | - |
| Net change in fund balance | - |
| Fund balance (deficit) at beginning of year | 694 |
| Increase (decrease) in reserve for inventory | - |
| Fund balance (deficit) at year end | \$ 694 |

Nonmajor Enterprise Funds

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

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

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

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

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

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.

City of Toledo, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2010
(amounts expressed in thousands)

| | Storm Sewer | Utility Administrative Services | Parking | Property Management | Small Business Development | Municipal Tow Lot | Marina Operations Fund | Erie St Market | Toledo Public Power | Total Nonmajor Enterprise |
|---|------------------|---------------------------------------|------------------|------------------------|----------------------------------|----------------------|------------------------------|-------------------|---------------------------|---------------------------------|
| ASSETS | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash and cash equivalents with treasurer | \$ 56 | \$ 3,644 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,700 |
| Cash and cash equivalents held by escrow agent | - | - | - | 3 | - | - | - | - | - | 3 |
| Cash and cash equivalents other | 1 | - | - | - | - | - | - | - | - | 1 |
| Investments | - | - | - | 526 | - | - | - | - | - | 526 |
| Restricted investments | 9,959 | 39,205 | - | - | 16 | - | - | - | - | 49,180 |
| Receivables (net of allowance) | 2,366 | 93 | 27 | 6,024 | - | 336 | 86 | 10 | - | 8,942 |
| Due from other: | | | | | | | | | | |
| Funds | 268 | - | 381 | 36 | 342 | - | - | 34 | - | 1,061 |
| Governments | 17 | - | - | - | - | - | - | - | - | 17 |
| Prepaid items | - | - | - | - | - | - | - | - | - | - |
| Inventory of supplies | - | 53 | - | - | - | - | - | - | - | 53 |
| Total current assets | <u>12,667</u> | <u>42,995</u> | <u>408</u> | <u>6,589</u> | <u>358</u> | <u>336</u> | <u>86</u> | <u>44</u> | <u>-</u> | <u>63,483</u> |
| Noncurrent assets: | | | | | | | | | | |
| Deferred charges and other | - | - | - | 115 | - | - | - | - | - | 115 |
| Capital assets: | | | | | | | | | | |
| Land and construction in progress | 4,340 | - | 6,549 | 1,550 | 218 | 697 | - | - | - | 13,354 |
| Other capital assets, net of accumulated depreciation | 25,396 | 527 | 13,295 | 699 | 459 | 1,138 | - | - | 10 | 41,524 |
| Total noncurrent assets | <u>29,736</u> | <u>527</u> | <u>19,844</u> | <u>2,364</u> | <u>677</u> | <u>1,835</u> | <u>-</u> | <u>-</u> | <u>10</u> | <u>54,993</u> |
| Total assets | <u>42,403</u> | <u>43,522</u> | <u>20,252</u> | <u>8,953</u> | <u>1,035</u> | <u>2,171</u> | <u>86</u> | <u>44</u> | <u>10</u> | <u>118,476</u> |
| LIABILITIES | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts payable | 174 | 135 | - | 5 | 298 | 54 | - | 3 | - | 669 |
| Customer deposits | - | - | 43 | - | - | - | - | 5 | - | 48 |
| Retainage | - | - | - | - | - | - | - | - | - | - |
| Due to other: | | | | | | | | | | |
| Funds | - | 42,368 | - | - | - | 103 | 116 | - | 10 | 42,597 |
| Governments | - | - | - | - | - | - | - | - | - | - |
| Other current liabilities | - | - | - | - | 38 | - | - | - | - | 38 |
| Accrued interest payable | - | - | - | 126 | - | 8 | - | - | - | 134 |
| Accrued wages and benefits | 61 | 114 | - | - | - | - | - | - | - | 175 |
| Current portion of: | | | | | | | | | | |
| Compensated absences payable | 39 | - | - | - | - | - | - | - | - | 39 |
| Bonds, loans and notes payable, net | 117 | 535 | 418 | 876 | - | 160 | - | - | - | 2,106 |
| Total current liabilities | <u>391</u> | <u>43,152</u> | <u>461</u> | <u>1,007</u> | <u>336</u> | <u>325</u> | <u>116</u> | <u>8</u> | <u>10</u> | <u>45,806</u> |
| Noncurrent liabilities: | | | | | | | | | | |
| Compensated absences payable | 634 | - | - | - | - | - | - | - | - | 634 |
| Bonds, loans and notes payable, net | 1,506 | 235 | 4,643 | 21,301 | - | 2,035 | - | - | - | 29,720 |
| Total noncurrent liabilities | <u>2,140</u> | <u>235</u> | <u>4,643</u> | <u>21,301</u> | <u>-</u> | <u>2,035</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,354</u> |
| Total liabilities | <u>2,531</u> | <u>43,387</u> | <u>5,104</u> | <u>22,308</u> | <u>336</u> | <u>2,360</u> | <u>116</u> | <u>8</u> | <u>10</u> | <u>76,160</u> |
| NET ASSETS | | | | | | | | | | |
| Invested in capital assets, net of related debt | 28,113 | (243) | 14,783 | 2,249 | 677 | (360) | - | - | 10 | 45,229 |
| Restricted for debt service | 15 | - | - | - | - | - | - | - | - | 15 |
| Restricted for replacement | 10,107 | - | - | - | - | - | - | - | - | 10,107 |
| Restricted for improvement | 1,339 | - | - | - | - | - | - | - | - | 1,339 |
| Unrestricted | 298 | 378 | 365 | (15,604) | 22 | 171 | (30) | 36 | (10) | (14,374) |
| Total net assets | <u>\$ 39,872</u> | <u>\$ 135</u> | <u>\$ 15,148</u> | <u>\$ (13,355)</u> | <u>\$ 699</u> | <u>\$ (189)</u> | <u>\$ (30)</u> | <u>\$ 36</u> | <u>\$ -</u> | <u>\$ 42,316</u> |

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Storm Sewer | Utility Administrative Services | Parking | Property Management | Small Business Development | Municipal Tow Lot | Marina Operations Fund | Erie St Market | Toledo Public Power | Total |
|---|--------------------|--|------------------|--------------------------------|---|------------------------------|---------------------------------------|---------------------------|------------------------------------|------------------|
| Operating revenues | | | | | | | | | | |
| Charges for services | \$ 9,785 | \$ 10,071 | \$ 653 | \$ 470 | \$ - | \$ 1,692 | \$ - | \$ - | \$ - | \$ 22,671 |
| Other revenue | 13 | - | 730 | - | - | 219 | - | 177 | - | 1,139 |
| Total operating revenue | <u>9,798</u> | <u>10,071</u> | <u>1,383</u> | <u>470</u> | <u>-</u> | <u>1,911</u> | <u>-</u> | <u>177</u> | <u>-</u> | <u>23,810</u> |
| Operating expenses | | | | | | | | | | |
| Personal services | 3,293 | 6,069 | - | - | 13 | - | - | - | - | 9,375 |
| Contractual services | 1,162 | 3,252 | 1 | 226 | 26 | 676 | 15 | 92 | - | 5,450 |
| Materials and supplies | 521 | 188 | - | - | - | 6 | - | 49 | - | 764 |
| Utilities | 18 | 71 | - | 5 | 125 | 28 | 15 | - | - | 262 |
| Depreciation | 758 | 208 | 493 | 101 | 45 | 163 | - | - | - | 1,768 |
| Total operating expenses | <u>5,752</u> | <u>9,788</u> | <u>494</u> | <u>332</u> | <u>209</u> | <u>873</u> | <u>30</u> | <u>141</u> | <u>-</u> | <u>17,619</u> |
| Operating income | 4,046 | 283 | 889 | 138 | (209) | 1,038 | (30) | 36 | - | 6,191 |
| Nonoperating revenues (expenses) | | | | | | | | | | |
| Capital grants | 1,252 | - | - | - | - | - | - | - | - | 1,252 |
| Investment earnings | 53 | (60) | - | 387 | - | - | - | - | - | 380 |
| Interest expense and fiscal charges | 784 | (88) | (326) | (1,359) | - | (113) | - | - | - | (1,102) |
| Gain (loss) on sale of fixed assets | - | - | - | - | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>2,089</u> | <u>(148)</u> | <u>(326)</u> | <u>(972)</u> | <u>-</u> | <u>(113)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>530</u> |
| Income (loss) before transfers | 6,135 | 135 | 563 | (834) | (209) | 925 | (30) | 36 | - | 6,721 |
| Transfers in | - | - | - | 973 | - | - | - | - | - | 973 |
| Transfers out | - | - | (387) | - | - | (1,090) | - | - | - | (1,477) |
| Change in net assets | 6,135 | 135 | 176 | 139 | (209) | (165) | (30) | 36 | - | 6,217 |
| Net assets at beginning of year | 33,737 | - | 14,972 | (13,494) | 908 | (24) | - | - | - | 36,099 |
| Net assets at end of year | <u>\$ 39,872</u> | <u>\$ 135</u> | <u>\$ 15,148</u> | <u>\$ (13,355)</u> | <u>\$ 699</u> | <u>\$ (189)</u> | <u>\$ (30)</u> | <u>\$ 36</u> | <u>\$ -</u> | <u>\$ 42,316</u> |

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Storm Sewer | Utility Administrative Services | Parking | Property Management | Small Business Development | Municipal Tow Lot | Marina Operations Fund | Erie St Market | Toledo Public Power | Total Nonmajor Enterprise |
|--|----------------|---------------------------------------|--------------|------------------------|----------------------------------|----------------------|------------------------------|-------------------|---------------------------|---------------------------------|
| Operating activities: | | | | | | | | | | |
| Cash received from customers | \$ 9,758 | \$ 10,071 | \$ 626 | \$ 578 | \$ 145 | \$ 1,611 | \$ (86) | \$ 1 | \$ - | \$ 22,704 |
| Cash paid to employees | (4,006) | (5,955) | - | - | (13) | - | - | - | - | (9,974) |
| Cash paid to suppliers | (2,889) | (1,087) | (318) | (418) | (211) | (604) | 84 | (179) | - | (5,622) |
| Other receipts | 34 | - | 730 | - | - | 219 | 2 | 177 | - | 1,162 |
| Net cash provided by (used by) operating activities | 2,897 | 3,029 | 1,038 | 160 | (79) | 1,226 | - | (1) | - | 8,270 |
| Noncapital financial activities: | | | | | | | | | | |
| Transfers in | - | - | - | 973 | - | - | - | - | - | 973 |
| Transfers out | - | - | (387) | - | - | (1,090) | - | - | - | (1,477) |
| Net cash provided by (used by) noncapital financing activities | - | - | (387) | 973 | - | (1,090) | - | - | - | (504) |
| Capital and related financing activities: | | | | | | | | | | |
| Proceeds from capital grants | 1,252 | - | - | - | - | - | - | - | - | 1,252 |
| Proceeds from the sales of assets | - | - | - | - | - | - | - | - | - | - |
| Purchases of property, plant and equipment | (4,076) | (3) | - | - | - | - | - | - | - | (4,079) |
| Proceeds from the issuance of bonds, loans, and notes | 43 | - | - | - | - | - | - | - | - | 43 |
| Refunding bond issued | - | - | - | 7,563 | - | - | - | - | - | 7,563 |
| Principal payments on bonds and loans | (387) | (489) | (504) | (740) | - | (160) | - | - | - | (2,280) |
| Payment on refunded bonds | - | - | - | (7,290) | - | - | - | - | - | (7,290) |
| Interest and fiscal charges paid on bonds, loans and notes | 784 | (88) | (325) | (1,348) | - | (105) | - | - | - | (1,082) |
| Net cash provided by (used by) capital and related financing activities | (2,384) | (580) | (829) | (1,815) | - | (265) | - | - | - | (5,873) |
| Investing activities: | | | | | | | | | | |
| Proceeds from sales and maturities of investments | 34,320 | 129,422 | - | 2,140 | - | - | - | - | - | 165,882 |
| Purchase of investments | (37,441) | (128,161) | - | (1,881) | - | - | - | - | - | (167,483) |
| Investment income received on investments | 93 | (66) | - | 386 | - | - | - | - | - | 413 |
| Net cash provided by (used by) investing activities | (3,028) | 1,195 | - | 645 | - | - | - | - | - | (1,188) |
| Increase (decrease) in cash and cash equivalents | (2,515) | 3,644 | (178) | (37) | (79) | (129) | - | (1) | - | 705 |
| Cash and cash equivalents at beginning of year | 2,572 | - | 178 | 40 | 79 | 129 | - | 1 | - | 2,999 |
| Cash and cash equivalents at end of year | \$ 57 | \$ 3,644 | \$ - | \$ 3 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,704 |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | | | |
| Operating income (loss) | \$ 4,046 | \$ 283 | \$ 889 | \$ 138 | \$ (209) | \$ 1,038 | \$ (30) | \$ 36 | \$ - | \$ 6,191 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | | | |
| Depreciation | 758 | 208 | 493 | 101 | 45 | 163 | - | - | - | 1,768 |
| Increase (decrease) in allowance for doubtful accounts | 46 | (30) | 30 | (296) | 1,376 | - | - | - | - | 1,126 |
| Changes in assets and liabilities: | | | | | | | | | | |
| Receivables | (73) | 30 | (57) | 404 | (1,231) | (81) | (86) | 1 | - | (1,093) |
| Due to (from) other: | | | | | | | | | | |
| Funds | (1,138) | 2,695 | (381) | (112) | (342) | 103 | 114 | (34) | - | 905 |
| Governments | 21 | - | - | - | - | - | 2 | - | - | 23 |
| Prepaid expenses | - | 4 | 21 | 8 | 1 | - | - | - | - | 34 |
| Inventory of supplies | - | (24) | - | - | - | - | - | - | - | (24) |
| Accounts payable | 45 | (251) | - | (83) | 281 | 3 | - | (8) | - | (13) |
| Customer deposits | - | - | 43 | - | - | - | - | 4 | - | 47 |
| Retainage | (95) | - | - | - | - | - | - | - | - | (95) |
| Deferred and other liabilities | - | - | - | - | - | - | - | - | - | - |
| Accrued wages and benefits | (1,386) | 114 | - | - | - | - | - | - | - | (1,272) |
| Compensated absences payable | 673 | - | - | - | - | - | - | - | - | 673 |
| Net cash provided by (used by) operating activities | 2,897 | 3,029 | 1,038 | 160 | (79) | 1,226 | - | (1) | - | 8,270 |
| Supplemental information: | | | | | | | | | | |
| Noncash activities: | | | | | | | | | | |
| Change in fair market value of investments | \$ (34) | \$ (51) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (85) |
| OWDA loan increase for capitalized interest | \$ 4 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4 |

City of Toledo, Ohio

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Internal Service Funds

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

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

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

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

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

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

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

City of Toledo, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010
(amounts expressed in thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service Funds |
|---|-----------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------------|--------------------------------|----------------------------------|---|
| ASSETS | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and cash equivalents with treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents held by escrow agent | - | - | - | - | - | - | - | - |
| Cash and cash equivalents other | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - | - |
| Restricted investments | - | 15 | - | - | - | - | - | 15 |
| Receivables (net of allowance) | 140 | - | 2 | - | - | 27 | 22 | 191 |
| Due from other: | | | | | | | | |
| Funds | - | 16,961 | 114 | 854 | 4,582 | 258 | 19,379 | 42,148 |
| Governments | - | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - |
| Inventory of supplies | 954 | - | 3 | - | - | - | - | 957 |
| Total current assets | <u>1,094</u> | <u>16,976</u> | <u>119</u> | <u>854</u> | <u>4,582</u> | <u>285</u> | <u>19,401</u> | <u>43,311</u> |
| Noncurrent assets: | | | | | | | | |
| Deferred charges and other | - | - | - | - | - | - | - | - |
| Capital assets: | | | | | | | | |
| Land and construction in progress | 350 | - | - | - | - | - | - | 350 |
| Other capital assets, net of accumulated depreciation | 17,421 | 1,241 | - | - | 5 | 140 | 5 | 18,812 |
| Total noncurrent assets | <u>17,771</u> | <u>1,241</u> | <u>-</u> | <u>-</u> | <u>5</u> | <u>140</u> | <u>5</u> | <u>19,162</u> |
| Total assets | <u>18,865</u> | <u>18,217</u> | <u>119</u> | <u>854</u> | <u>4,587</u> | <u>425</u> | <u>19,406</u> | <u>62,473</u> |
| LIABILITIES | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable | 395 | 61 | 118 | 280 | 138 | 94 | 7 | 1,093 |
| Customer deposits | - | - | - | - | - | - | - | - |
| Retainage | - | - | - | - | - | - | - | - |
| Due to other: | | | | | | | | |
| Funds | 1,238 | - | - | - | - | - | - | 1,238 |
| Governments | - | - | - | - | - | - | - | - |
| Other current liabilities | - | - | - | - | 1,560 | - | - | 1,560 |
| Accrued interest payable | - | - | - | - | - | - | - | - |
| Accrued wages and benefits | 73 | - | 1 | 19 | - | 24 | 19,331 | 19,448 |
| Current portion of: | | | | | | | | |
| Compensated absences payable | - | - | - | - | - | - | - | - |
| Bonds, loans and notes payable, net | - | 2,825 | - | - | - | - | - | 2,825 |
| Total current liabilities | <u>1,706</u> | <u>2,886</u> | <u>119</u> | <u>299</u> | <u>1,698</u> | <u>118</u> | <u>19,338</u> | <u>26,164</u> |
| Noncurrent liabilities: | | | | | | | | |
| Compensated absences payable | - | - | - | - | - | - | - | - |
| Bonds, loans and notes payable, net | - | - | - | - | - | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>1,706</u> | <u>2,886</u> | <u>119</u> | <u>299</u> | <u>1,698</u> | <u>118</u> | <u>19,338</u> | <u>26,164</u> |
| NET ASSETS | | | | | | | | |
| Invested in capital assets, net of related debt | 17,771 | (1,584) | - | - | 5 | 140 | 5 | 16,337 |
| Restricted for debt service | - | - | - | - | - | - | - | - |
| Restricted for replacement | - | 2,000 | - | - | - | - | - | 2,000 |
| Restricted for improvement | - | - | - | - | - | - | - | - |
| Unrestricted | (612) | 14,915 | - | 555 | 2,884 | 167 | 63 | 17,972 |
| Total net assets | <u>\$ 17,159</u> | <u>\$ 15,331</u> | <u>\$ -</u> | <u>\$ 555</u> | <u>\$ 2,889</u> | <u>\$ 307</u> | <u>\$ 68</u> | <u>\$ 36,309</u> |

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Year Ended December 31,2010
(amounts expressed in thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service |
|---|-----------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------------|--------------------------------|----------------------------------|---------------------------------------|
| Operating revenues | | | | | | | | |
| Charges for services | \$ 9,712 | \$ 3,854 | \$ 373 | \$ 2,785 | \$ 1,458 | \$ 2,737 | \$ 7,177 | \$ 28,096 |
| Other revenue | 102 | - | - | - | - | 2 | 225 | 329 |
| Total operating revenue | <u>9,814</u> | <u>3,854</u> | <u>373</u> | <u>2,785</u> | <u>1,458</u> | <u>2,739</u> | <u>7,402</u> | <u>28,425</u> |
| Operating expenses | | | | | | | | |
| Personal services | 3,698 | - | 58 | 976 | 223 | 987 | 152 | 6,094 |
| Contractual services | 852 | - | 64 | - | 1,522 | 1,301 | 7,127 | 10,866 |
| Materials and supplies | 5,467 | - | 311 | 63 | - | 264 | 1 | 6,106 |
| Utilities | 21 | - | 1 | 1,605 | - | 43 | - | 1,670 |
| Depreciation | 3,669 | 152 | - | - | 1 | 7 | 5 | 3,834 |
| Total operating expenses | <u>13,707</u> | <u>152</u> | <u>434</u> | <u>2,644</u> | <u>1,746</u> | <u>2,602</u> | <u>7,285</u> | <u>28,570</u> |
| Operating income | (3,893) | 3,702 | (61) | 141 | (288) | 137 | 117 | (145) |
| Nonoperating revenues (expenses) | | | | | | | | |
| Capital grants | - | - | - | - | - | - | - | - |
| Investment earnings | - | - | - | - | - | - | - | - |
| Interest expense and fiscal charges | - | (144) | - | - | - | - | - | (144) |
| Gain (loss) on sale of fixed assets | 264 | - | - | - | - | - | - | 264 |
| Total nonoperating revenues (expenses) | <u>264</u> | <u>(144)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>120</u> |
| Income (loss) before transfers | (3,629) | 3,558 | (61) | 141 | (288) | 137 | 117 | (25) |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Change in net assets | (3,629) | 3,558 | (61) | 141 | (288) | 137 | 117 | (25) |
| Net assets at beginning of year | 20,788 | 11,773 | 61 | 414 | 3,177 | 170 | (49) | 36,334 |
| Net assets at end of year | <u>\$ 17,159</u> | <u>\$ 15,331</u> | <u>\$ -</u> | <u>\$ 555</u> | <u>\$ 2,889</u> | <u>\$ 307</u> | <u>\$ 68</u> | <u>\$ 36,309</u> |

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service Funds |
|--|-----------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------------|--------------------------------|----------------------------------|---|
| Operating activities: | | | | | | | | |
| Cash received from customers | \$ 9,668 | \$ 3,854 | \$ 371 | \$ 2,785 | \$ 1,458 | \$ 2,733 | \$ 7,155 | \$ 28,024 |
| Cash paid to employees | (3,625) | - | (57) | (957) | (223) | (963) | 604 | (5,221) |
| Cash paid to suppliers | (6,378) | (1,722) | (417) | (2,499) | (5,988) | (1,886) | (19,544) | (38,434) |
| Other receipts | 102 | - | - | - | - | 2 | 225 | 329 |
| Net cash provided by (used by) operating activities | (233) | 2,132 | (103) | (671) | (4,753) | (114) | (11,560) | (15,302) |
| Noncapital financial activities: | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) noncapital financing activities | - | - | - | - | - | - | - | - |
| Capital and related financing activities: | | | | | | | | |
| Proceeds from capital grants and contributions | - | - | - | - | - | - | - | - |
| Proceeds from the sales of assets | 326 | - | - | - | 1 | - | - | 327 |
| Purchases of property, plant and equipment | (93) | (652) | - | - | - | (2) | (2) | (749) |
| Proceeds from the issuance of bonds, loans, and notes | - | - | - | - | - | - | - | - |
| Refunding bond issued | - | 5,650 | - | - | - | - | - | 5,650 |
| Principal payments on bonds and loans | - | (1,335) | - | - | - | - | - | (1,335) |
| Payment on refunded bonds | - | (5,650) | - | - | - | - | - | (5,650) |
| Interest and fiscal charges paid on bonds, loans and notes | - | (144) | - | - | - | - | - | (144) |
| Net cash provided by (used by) capital and related financing activities | 233 | (2,131) | - | - | 1 | (2) | (2) | (1,901) |
| Investing activities: | | | | | | | | |
| Proceeds from sales and maturities of investments | - | - | - | - | - | - | - | - |
| Purchase of investments | - | (1) | - | - | - | - | - | (1) |
| Investment income received on investments | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) investing activities | - | (1) | - | - | - | - | - | (1) |
| Increase (decrease) in cash and cash equivalents | - | - | (103) | (671) | (4,752) | (116) | (11,562) | (17,204) |
| Cash and cash equivalents at beginning of year | - | - | 103 | 671 | 4,752 | 116 | 11,562 | 17,204 |
| Cash and cash equivalents at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Operating income (loss) | \$ (3,893) | \$ 3,702 | \$ (61) | \$ 141 | \$ (288) | \$ 137 | \$ 117 | \$ (145) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Depreciation | 3,669 | 152 | - | - | 1 | 7 | 5 | 3,834 |
| Increase (decrease) in allowance for doubtful accounts | (3) | - | - | - | - | - | - | (3) |
| Changes in assets and liabilities: | | | | | | | | |
| Receivables | (41) | - | (2) | - | - | (4) | (22) | (69) |
| Due to (from) other: | | | | | | | | |
| Funds | 221 | (1,670) | (114) | (854) | (4,582) | (258) | (12,405) | (19,662) |
| Governments | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| Inventory of supplies | (195) | - | - | - | - | - | - | (195) |
| Accounts payable | (64) | (52) | 73 | 23 | 116 | (20) | (11) | 65 |
| Customer deposits | - | - | - | - | - | - | - | - |
| Retainage | - | - | - | - | - | - | - | - |
| Deferred and other liabilities | - | - | - | - | - | - | - | - |
| Accrued wages and benefits | 73 | - | 1 | 19 | - | 24 | 756 | 873 |
| Compensated absences payable | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) operating activities | (233) | 2,132 | (103) | (671) | (4,753) | (114) | (11,560) | (15,302) |
| Supplemental information: | | | | | | | | |
| Noncash activities: | | | | | | | | |
| Change in fair market value of investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OWDA loan increase for capitalized interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

City of Toledo, Ohio

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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.

City of Toledo, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds - Individual Fund Groupings
For the Year Ended December 31, 2010
(amounts expressed in thousands)

| | Assets | | | | | Liabilities | | | |
|---------------------------------|---------------------|-----------------|-----------------|-----------------------|---------------------------|---------------------|-----------------|-----------------|-----------------------|
| | Balance 1/1/2010 | Additions | Deductions | Balance 12/31/2010 | | Balance 1/1/2010 | Additions | Deductions | Balance 12/31/2010 |
| General Agency | | | | | General Agency | | | | |
| Receivables | \$ 1,464 | \$ 1,646 | \$ 1,429 | \$ 1,681 | Accounts payable | \$ 56 | \$ 1,139 | \$ 1,137 | \$ 58 |
| | | | | | Other liabilities | 1,408 | 1,112 | 897 | 1,623 |
| Municipal Court | | | | | Municipal Court | | | | |
| Cash and cash equivalents other | 949 | 150 | - | 1,099 | Customer deposit | 949 | 150 | - | 1,099 |
| Total Agency funds | | | | | Total Agency funds | | | | |
| Cash and cash equivalents other | 949 | 150 | - | 1,099 | Accounts payable | 56 | 1,139 | 1,137 | 58 |
| Receivables | 1,464 | 1,646 | 1,429 | 1,681 | Customer deposit | 949 | 150 | - | 1,099 |
| | 1,408 | 1,112 | 897 | 1,623 | Other liabilities | 1,408 | 1,112 | 897 | 1,623 |
| | <u>\$ 2,413</u> | <u>\$ 1,796</u> | <u>\$ 1,429</u> | <u>\$ 2,780</u> | | <u>\$ 2,413</u> | <u>\$ 2,401</u> | <u>\$ 2,034</u> | <u>\$ 2,780</u> |

City of Toledo, Ohio

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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 Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities: | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 248,832 | \$ 243,683 | \$ 280,486 | \$ 300,779 | \$ 329,962 | \$ 338,428 | \$ 333,510 | \$ 343,145 |
| Restricted | 59,685 | 59,138 | 47,957 | 50,555 | 52,822 | 52,032 | 83,098 | 73,630 |
| Unrestricted | (12,375) | - | - | 2,278 | - | - | (14,200) | 5,002 |
| Total general fund | <u>\$ 296,142</u> | <u>\$ 302,821</u> | <u>\$ 328,443</u> | <u>\$ 353,612</u> | <u>\$ 382,784</u> | <u>\$ 390,460</u> | <u>\$ 402,408</u> | <u>\$ 421,777</u> |
| Business-type activities: | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 254,276 | \$ 229,170 | \$ 224,105 | \$ 253,730 | \$ 280,940 | \$ 305,182 | \$ 327,984 | \$ 388,160 |
| Restricted | 164,930 | 143,156 | 169,220 | 95,084 | 60,000 | 41,367 | 36,259 | 31,760 |
| Unrestricted | (62,954) | (8,264) | (12,298) | 41,289 | 53,529 | 59,097 | 47,785 | 6,676 |
| Total capital improvement fund | <u>\$ 356,252</u> | <u>\$ 364,062</u> | <u>\$ 381,027</u> | <u>\$ 390,103</u> | <u>\$ 394,469</u> | <u>\$ 405,646</u> | <u>\$ 412,028</u> | <u>\$ 426,596</u> |
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 503,108 | \$ 472,853 | \$ 504,591 | \$ 554,509 | \$ 610,902 | \$ 643,610 | \$ 661,494 | \$ 731,305 |
| Restricted | 224,615 | 202,294 | 217,177 | 145,639 | 112,822 | 93,399 | 119,357 | 105,390 |
| Unrestricted | (75,329) | (8,264) | (12,298) | 43,567 | 53,529 | 59,097 | 33,585 | 11,678 |
| Total all other governmental funds | <u>\$ 652,394</u> | <u>\$ 666,883</u> | <u>\$ 709,470</u> | <u>\$ 743,715</u> | <u>\$ 777,253</u> | <u>\$ 796,106</u> | <u>\$ 814,436</u> | <u>\$ 848,373</u> |

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

| | REVENUES | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Governmental activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | \$ 31,181 | \$ 23,982 | \$ 28,584 | \$ 28,338 | \$ 30,165 | \$ 59,916 | \$ 72,777 | \$ 46,960 |
| Public service | 30 | 130 | 19 | - | - | - | - | 26,003 |
| Public safety | 3,501 | 8,460 | 9,436 | 8,524 | 8,814 | 9,408 | 8,103 | 9,363 |
| Public utilities | - | - | 158 | - | 1,199 | - | - | - |
| Community environment | 2,673 | 5,267 | 6,727 | 7,052 | 6,563 | 7,464 | 6,364 | 5,421 |
| Health | 862 | 1,175 | 1,377 | 704 | 2,632 | 5,580 | 5,853 | 11,184 |
| Parks and recreation | 365 | 474 | 421 | 122 | 101 | 116 | 111 | 200 |
| Operating grants | 54,155 | 51,604 | 49,406 | 55,734 | 65,423 | 33,081 | 40,689 | 12,675 |
| Capital grants | 16,172 | 12,236 | 25,779 | 25,689 | 21,082 | 15,537 | 18,348 | 33,739 |
| Total governmental activities program revenues | <u>\$ 108,939</u> | <u>\$ 103,328</u> | <u>\$ 121,907</u> | <u>\$ 126,163</u> | <u>\$ 135,979</u> | <u>\$ 131,102</u> | <u>\$ 152,245</u> | <u>\$ 145,545</u> |
| Business-type activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| Water | 32,578 | 34,258 | 37,326 | 34,790 | 38,627 | 38,070 | 35,913 | 42,487 |
| Sewer | 35,370 | 39,919 | 43,551 | 44,377 | 48,901 | 56,064 | 54,189 | 57,354 |
| Storm utility | 8,315 | 7,710 | 8,637 | 8,132 | 8,620 | 9,034 | 10,069 | 9,798 |
| Utilities administration | 8,085 | 7,829 | 10,288 | 7,802 | 9,676 | 10,564 | 8,696 | 10,071 |
| Parking | 1,356 | 1,382 | 1,435 | 1,486 | 1,403 | 1,509 | 1,459 | 1,383 |
| Property management | 886 | 277 | 264 | (688) | 266 | 262 | 208 | 470 |
| Small business development | 52 | 77 | 38 | (2) | - | - | - | 177 |
| Tow lot | - | - | 527 | 2,225 | 2,315 | 2,549 | 1,418 | 1,911 |
| Capital grants | 1,577 | - | - | - | - | - | - | 5,423 |
| Total business-type activities revenues | <u>88,219</u> | <u>91,452</u> | <u>102,066</u> | <u>98,122</u> | <u>109,808</u> | <u>118,052</u> | <u>111,952</u> | <u>129,074</u> |
| Total primary governmental revenues | <u>\$ 197,158</u> | <u>\$ 194,780</u> | <u>\$ 223,973</u> | <u>\$ 224,285</u> | <u>\$ 245,787</u> | <u>\$ 249,154</u> | <u>\$ 264,197</u> | <u>\$ 274,619</u> |

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

| | EXPENSES | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Governmental activities: | | | | | | | | |
| General government | \$ 26,790 | \$ 26,721 | \$ 25,960 | \$ 27,250 | \$ 27,059 | \$ 28,673 | \$ 28,464 | \$ 25,421 |
| Public service | 45,757 | 48,204 | 52,706 | 52,891 | 53,562 | 57,508 | 56,085 | 54,469 |
| Public safety | 148,446 | 151,217 | 153,085 | 158,499 | 163,334 | 170,767 | 157,024 | 157,436 |
| Public utilities | 1,085 | 808 | - | 46 | 106 | 167 | 139 | 2 |
| Community environment | 19,465 | 17,918 | 14,895 | 20,589 | 20,230 | 18,915 | 19,634 | 32,543 |
| Health | 17,347 | 17,030 | 17,638 | 18,207 | 16,773 | 19,104 | 17,569 | 16,966 |
| Parks and recreation | 7,488 | 7,765 | 7,345 | 7,563 | 15,047 | 7,397 | 6,933 | 6,139 |
| Interest and fiscal charges | 16,437 | 9,408 | 8,973 | 7,833 | 10,368 | 14,731 | 12,442 | 12,060 |
| Total governmental activities expenses | <u>\$ 282,815</u> | <u>\$ 279,071</u> | <u>\$ 280,602</u> | <u>\$ 292,878</u> | <u>\$ 306,479</u> | <u>\$ 317,262</u> | <u>\$ 298,290</u> | <u>\$ 305,036</u> |
| Business-type activities: | | | | | | | | |
| Water | 28,211 | 30,356 | 34,369 | 34,324 | 38,388 | 36,708 | 36,556 | 39,138 |
| Sewer | 36,285 | 38,334 | 41,217 | 44,464 | 47,329 | 50,484 | 49,974 | 56,888 |
| Storm utility | 4,192 | 6,122 | 7,018 | 6,883 | 6,168 | 5,331 | 5,191 | 4,968 |
| Utilities administration | 7,958 | 7,922 | 8,099 | 9,898 | 10,647 | 10,048 | 10,185 | 9,876 |
| Parking | 1,204 | 1,154 | 1,100 | 1,040 | 946 | 962 | 934 | 820 |
| Property management | 1,787 | 2,596 | 2,640 | 2,010 | 1,930 | 5,111 | 1,949 | 1,691 |
| Small business development | 55 | 43 | 47 | 77 | 41 | 42 | 76 | 380 |
| Tow lot | - | - | 314 | 1,169 | 1,087 | 1,141 | 1,229 | 986 |
| Total business-type activities expenses | <u>79,692</u> | <u>86,527</u> | <u>94,804</u> | <u>99,865</u> | <u>106,536</u> | <u>109,827</u> | <u>106,094</u> | <u>114,747</u> |
| Total primary governmental expenses | <u>\$ 362,507</u> | <u>\$ 365,598</u> | <u>\$ 375,406</u> | <u>\$ 392,743</u> | <u>\$ 413,015</u> | <u>\$ 427,089</u> | <u>\$ 404,384</u> | <u>\$ 419,783</u> |

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

| | NET REVENUE (EXPENSE) | | | | | | | |
|--|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Governmental activities | \$ (173,876) | \$ (175,743) | \$ (158,695) | \$ (166,715) | \$ (170,500) | \$ (186,160) | \$ (146,045) | \$ (159,491) |
| Business-type activities | 8,527 | 4,925 | 7,262 | (1,743) | 3,272 | 8,225 | 5,858 | 14,327 |
| Total primary governmental expenses | <u>\$ (165,349)</u> | <u>\$ (170,818)</u> | <u>\$ (151,433)</u> | <u>\$ (168,458)</u> | <u>\$ (167,228)</u> | <u>\$ (177,935)</u> | <u>\$ (140,187)</u> | <u>\$ (145,164)</u> |
| General revenues and other changes in net assets: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Income taxes | \$ 155,112 | \$ 155,243 | \$ 160,683 | \$ 164,718 | \$ 169,689 | \$ 154,475 | \$ 138,474 | \$ 146,886 |
| Property taxes | 19,794 | 21,444 | 20,136 | 17,330 | 19,424 | 18,078 | 15,518 | 12,465 |
| Unrestricted investments earnings | 3,260 | 2,570 | 4,153 | 7,194 | 8,553 | 5,582 | 2,483 | 1,605 |
| Gain on sale of capital assets and other revenue grants | 3,204 | 2,702 | 273 | 2,190 | 2,297 | 14,469 | 6,928 | 4,572 |
| Transfers | (519) | 462 | (927) | 451 | (291) | 1,232 | 655 | 534 |
| Total government activities | <u>180,851</u> | <u>182,421</u> | <u>184,318</u> | <u>191,883</u> | <u>199,672</u> | <u>193,836</u> | <u>164,058</u> | <u>166,062</u> |
| Business-type activities: | | | | | | | | |
| Unrestricted investments earnings | 2,692 | 2,248 | 3,282 | 6,488 | 6,460 | 4,064 | 899 | 781 |
| Gain on sale of capital assets and other revenue grants | (3,286) | 1,102 | 5,494 | 4,782 | (5,657) | 120 | 280 | (6) |
| Transfers | 519 | (462) | 927 | (451) | 291 | (1,232) | (655) | (534) |
| Total business-type activities | <u>(75)</u> | <u>2,888</u> | <u>9,703</u> | <u>10,819</u> | <u>1,094</u> | <u>2,952</u> | <u>524</u> | <u>241</u> |
| Total primary governmental general revenues and other changes in net assets | <u>\$ 180,776</u> | <u>\$ 185,309</u> | <u>\$ 194,021</u> | <u>\$ 202,702</u> | <u>\$ 200,766</u> | <u>\$ 196,788</u> | <u>\$ 164,582</u> | <u>\$ 166,303</u> |
| Changes in Net Assets | | | | | | | | |
| Governmental activities | \$ 6,975 | \$ 6,678 | \$ 25,623 | \$ 25,168 | \$ 29,172 | \$ 7,676 | \$ 18,013 | \$ 6,571 |
| Business-type activities | 8,452 | 7,813 | 16,965 | 9,076 | 4,366 | 11,177 | 6,382 | 14,568 |
| Total primary governmental net change | <u>\$ 15,427</u> | <u>\$ 14,491</u> | <u>\$ 42,588</u> | <u>\$ 34,244</u> | <u>\$ 33,538</u> | <u>\$ 18,853</u> | <u>\$ 24,395</u> | <u>\$ 21,139</u> |

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 4,795 | \$ 4,741 | \$ 4,027 | \$ 4,395 | \$ 4,358 | \$ 1,974 | \$ 5,485 | \$ 8,187 | \$ 8,263 | \$ 6,008 |
| Unreserved | 14,700 | 12,067 | 9,393 | 4,905 | 6,413 | 8,818 | 7,148 | (3,796) | (16,283) | (14,620) |
| Total general fund | <u>\$ 19,495</u> | <u>\$ 16,808</u> | <u>\$ 13,420</u> | <u>\$ 9,300</u> | <u>\$ 10,771</u> | <u>\$ 10,792</u> | <u>\$ 12,633</u> | <u>\$ 4,391</u> | <u>\$ (8,020)</u> | <u>\$ (8,612)</u> |
| Capital Improvement Fund | | | | | | | | | | |
| Reserved | \$ 25,868 | \$ 32,403 | \$ 28,715 | \$ 64,282 | \$ 61,353 | \$ 45,542 | \$ 37,148 | \$ 35,289 | \$ 28,449 | \$ 38,722 |
| Unreserved | 12,513 | 8,929 | 15,757 | (21,267) | (29,617) | (9,615) | (7,385) | (8,220) | 18,882 | - |
| Total capital improvement fund | <u>\$ 38,381</u> | <u>\$ 41,332</u> | <u>\$ 44,472</u> | <u>\$ 43,015</u> | <u>\$ 31,736</u> | <u>\$ 35,927</u> | <u>\$ 29,763</u> | <u>\$ 27,069</u> | <u>\$ 47,331</u> | <u>\$ 38,722</u> |
| Special Assessment Services Fund | | | | | | | | | | |
| Reserved | \$ 1,627 | \$ 1,019 | \$ 1,373 | \$ 2,444 | \$ 2,304 | \$ 2,578 | \$ 2,039 | \$ 2,784 | \$ 2,827 | \$ 6,784 |
| Unreserved | (35,741) | (34,805) | (36,834) | (41,760) | (44,905) | (48,228) | (48,017) | (51,764) | (53,450) | (56,328) |
| Total special assessment services fund | <u>\$ (34,114)</u> | <u>\$ (33,786)</u> | <u>\$ (35,461)</u> | <u>\$ (39,316)</u> | <u>\$ (42,601)</u> | <u>\$ (45,650)</u> | <u>\$ (45,978)</u> | <u>\$ (48,980)</u> | <u>\$ (50,623)</u> | <u>\$ (49,544)</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 11,440 | \$ 9,132 | \$ 6,312 | \$ 7,900 | \$ 8,389 | \$ 10,819 | \$ 7,730 | \$ 8,868 | \$ 8,129 | \$ 22,862 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,415 | 7,176 | 9,907 | 8,425 | 8,392 | 8,065 | 15,138 | 14,914 | 21,355 | (7,221) |
| Capital projects funds | (1,457) | (1,154) | (1,486) | (1,537) | (1,736) | (1,939) | (2,011) | (2,122) | - | (1,875) |
| Permanent funds | 282 | 711 | 716 | 708 | 694 | 694 | 694 | 694 | (1,932) | 694 |
| Other governmental | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 11,680</u> | <u>\$ 15,865</u> | <u>\$ 15,449</u> | <u>\$ 15,496</u> | <u>\$ 15,739</u> | <u>\$ 17,639</u> | <u>\$ 21,551</u> | <u>\$ 22,354</u> | <u>\$ 27,552</u> | <u>\$ 14,460</u> |
| Total fund balance governmental funds | <u>\$ 35,442</u> | <u>\$ 40,219</u> | <u>\$ 37,880</u> | <u>\$ 28,495</u> | <u>\$ 15,645</u> | <u>\$ 18,708</u> | <u>\$ 17,969</u> | <u>\$ 4,834</u> | <u>\$ 16,240</u> | <u>\$ (4,974)</u> |

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)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|--------------------|-----------------|-------------------|-------------------|--------------------|-----------------|-----------------|--------------------|------------------|--------------------|
| Revenues: | | | | | | | | | | |
| Income taxes | \$ 150,911 | \$ 153,965 | \$ 155,112 | \$ 155,243 | \$ 160,683 | \$ 164,718 | \$ 169,689 | \$ 154,475 | \$ 141,554 | \$ 144,581 |
| Property taxes | 15,477 | 15,437 | 15,223 | 17,206 | 17,231 | 17,330 | 19,424 | 18,078 | 13,612 | 11,936 |
| Special assessments | 20,337 | 19,347 | 18,273 | 17,435 | 20,684 | 21,788 | 24,601 | 24,737 | 23,965 | 26,592 |
| Licenses and permits | 2,172 | 1,967 | 2,145 | 2,567 | 3,071 | 3,012 | 2,830 | 2,541 | 2,103 | 2,363 |
| Intergovernmental services | 57,736 | 64,883 | 70,327 | 63,840 | 75,186 | 79,957 | 78,710 | 72,285 | 89,942 | 76,659 |
| Charges for services | 12,363 | 13,646 | 13,724 | 14,088 | 14,003 | 15,081 | 17,364 | 21,104 | 21,516 | 24,347 |
| Investment earnings | 7,534 | 4,654 | 3,259 | 2,570 | 4,153 | 7,194 | 8,553 | 5,582 | 2,483 | 1,605 |
| Fines and forfeitures | 3,841 | 3,636 | 4,087 | 5,281 | 6,080 | 6,094 | 6,339 | 7,268 | 5,971 | 5,648 |
| Other revenue | 2,350 | 2,953 | 3,476 | 2,773 | 2,882 | 1,475 | 3,325 | 2,521 | 8,653 | 4,277 |
| Total revenues | <u>272,721</u> | <u>280,488</u> | <u>285,626</u> | <u>281,003</u> | <u>303,973</u> | <u>316,649</u> | <u>330,835</u> | <u>308,591</u> | <u>309,799</u> | <u>298,008</u> |
| Expenditures: | | | | | | | | | | |
| General government | 21,231 | 20,823 | 19,074 | 18,079 | 16,908 | 18,160 | 17,589 | 19,007 | 18,024 | 15,844 |
| Public services | 27,513 | 27,682 | 30,261 | 30,930 | 34,235 | 34,216 | 33,788 | 37,589 | 35,432 | 34,834 |
| Public safety | 138,036 | 144,112 | 143,350 | 146,536 | 150,182 | 158,575 | 164,128 | 170,803 | 155,040 | 159,374 |
| Public utilities | 1,629 | 1,149 | 1,043 | 774 | 39 | 38 | 102 | 154 | 115 | 2 |
| Community environment | 21,120 | 22,329 | 18,062 | 16,469 | 13,432 | 19,281 | 18,926 | 18,078 | 18,017 | 31,079 |
| Health | 16,850 | 16,030 | 16,240 | 15,960 | 16,600 | 17,403 | 17,915 | 18,199 | 16,473 | 13,727 |
| Parks and recreation | 5,179 | 5,009 | 4,729 | 4,342 | 3,736 | 3,876 | 3,466 | 3,490 | 2,742 | 2,660 |
| Capital outlay | 43,609 | 34,574 | 42,319 | 42,163 | 67,895 | 61,690 | 57,883 | 49,179 | 50,835 | 44,303 |
| Debt service: | | | | | | | | | | |
| Principal | 14,577 | 15,546 | 16,291 | 15,256 | 16,920 | 18,465 | 17,248 | 16,633 | 18,903 | 25,396 |
| Interest and debt issuance costs | 12,107 | 13,896 | 9,312 | 8,871 | 8,946 | 10,111 | 10,368 | 10,596 | 9,620 | 11,913 |
| Total expenditures | <u>301,851</u> | <u>301,150</u> | <u>300,681</u> | <u>299,380</u> | <u>328,893</u> | <u>341,815</u> | <u>341,413</u> | <u>343,728</u> | <u>325,201</u> | <u>339,132</u> |
| Excess of revenues over (under) expenditures | (29,130) | (20,662) | (15,055) | (18,377) | (24,920) | (25,166) | (10,578) | (35,137) | (15,402) | (41,124) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 61,061 | 63,008 | 57,087 | 53,573 | 55,015 | 52,718 | 55,673 | 47,280 | 53,893 | 63,947 |
| Transfers out | (51,494) | (54,089) | (54,487) | (53,286) | (56,799) | (52,852) | (56,709) | (46,989) | (65,903) | (63,414) |
| Issuance of debt | 8,587 | 10,432 | 9,285 | 8,052 | 13,613 | 27,551 | 10,923 | 20,528 | 34,277 | 19,933 |
| Premium (discount) on bond | 4 | 3,478 | 7 | 129 | 138 | 672 | 114 | 482 | 3,763 | 171 |
| Sale of fixed assets | 50 | 109 | 91 | 46 | 135 | 43 | 11 | 26 | 746 | 101 |
| Total other financing sources (uses) | <u>18,208</u> | <u>22,938</u> | <u>11,983</u> | <u>8,514</u> | <u>12,102</u> | <u>28,132</u> | <u>10,012</u> | <u>21,327</u> | <u>26,776</u> | <u>20,738</u> |
| Net change in fund balance | <u>\$ (10,922)</u> | <u>\$ 2,276</u> | <u>\$ (3,072)</u> | <u>\$ (9,863)</u> | <u>\$ (12,818)</u> | <u>\$ 2,966</u> | <u>\$ (566)</u> | <u>\$ (13,810)</u> | <u>\$ 11,374</u> | <u>\$ (20,386)</u> |
| Debt services as a percentage of noncapital expenditures | 11.5% | 12.4% | 11.0% | 10.4% | 11.0% | 11.4% | 10.8% | 10.2% | 11.6% | 14.5% |

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)

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Income taxes | \$ 150,911 | \$ 153,965 | \$ 155,112 | \$ 155,243 | \$ 160,683 | \$ 164,718 | \$ 169,689 | \$ 154,475 | \$ 141,554 | \$ 144,581 |
| Property taxes | 15,477 | 15,437 | 15,223 | 17,206 | 17,231 | 17,330 | 19,424 | 18,078 | 13,612 | 11,936 |
| Special assessments | 20,337 | 19,347 | 18,273 | 17,435 | 20,684 | 21,788 | 24,601 | 24,737 | 23,965 | 26,592 |
| Licenses and permits | 2,172 | 1,967 | 2,145 | 2,567 | 3,071 | 3,012 | 2,830 | 2,541 | 2,103 | 2,363 |
| Intergovernmental services | 57,736 | 64,883 | 70,327 | 63,840 | 75,186 | 79,957 | 78,710 | 72,285 | 89,942 | 76,659 |
| Charges for services | 12,363 | 13,646 | 13,724 | 14,088 | 14,003 | 15,081 | 17,364 | 21,104 | 21,516 | 24,347 |
| Investment earnings | 7,534 | 4,654 | 3,259 | 2,570 | 4,153 | 7,194 | 8,553 | 5,582 | 2,483 | 1,605 |
| Fines and forfeitures | 3,841 | 3,636 | 4,087 | 5,281 | 6,080 | 6,094 | 6,339 | 7,268 | 5,971 | 5,648 |
| Other revenue | 2,350 | 2,953 | 3,476 | 2,773 | 2,882 | 1,475 | 3,325 | 2,521 | 8,653 | 4,277 |
| Total | <u>\$ 272,721</u> | <u>\$ 280,488</u> | <u>\$ 285,626</u> | <u>\$ 281,003</u> | <u>\$ 303,973</u> | <u>\$ 316,649</u> | <u>\$ 330,835</u> | <u>\$ 308,591</u> | <u>\$ 309,799</u> | <u>\$ 298,008</u> |

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Withholding | \$ 132,689 | \$ 133,689 | \$ 136,187 | \$ 134,709 | \$ 138,043 | \$ 139,805 | \$ 141,583 | \$ 132,948 | \$ 122,927 | \$ 124,108 |
| Utility | - | 1,003 | 193 | 237 | 492 | 783 | 1,863 | 1,542 | 891 | 589 |
| Business | 13,229 | 13,046 | 13,122 | 14,120 | 15,747 | 17,443 | 19,331 | 14,353 | 11,872 | 13,051 |
| Individuals | 4,993 | 6,227 | 5,610 | 6,177 | 6,401 | 6,687 | 6,912 | 5,632 | 5,864 | 6,833 |
| Total | <u>\$ 150,911</u> | <u>\$ 153,965</u> | <u>\$ 155,112</u> | <u>\$ 155,243</u> | <u>\$ 160,683</u> | <u>\$ 164,718</u> | <u>\$ 169,689</u> | <u>\$ 154,475</u> | <u>\$ 141,554</u> | <u>\$ 144,581</u> |

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

| Tax Collection Year | Real Property | | Public Utility | | Personal Property | | Total | | Ratio of Total Assessed to Total Actual Value |
|---------------------------|-------------------|------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|------------------------------|--|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value | |
| 2011 | 3,687,360 | 10,535,314 | 118,417 | 338,334 | - | - | 3,805,777 | 10,873,648 | 35.0% |
| 2010 | 3,741,678 | 10,690,509 | 112,681 | 450,724 | 8,483 | 1,022,045 | 3,862,842 | 12,163,278 | 31.8% |
| 2009 | 4,171,406 | 11,918,303 | 107,551 | 430,204 | 18,638 | 1,242,206 | 4,297,595 | 13,590,713 | 31.6% |
| 2008 | 4,197,056 | 11,991,589 | 155,080 | 620,320 | 239,911 | 959,644 | 4,592,047 | 13,571,553 | 33.8% |
| 2007 | 4,315,322 | 12,329,491 | 154,646 | 618,584 | 343,264 | 1,373,056 | 4,813,232 | 14,321,131 | 33.6% |
| 2006 | 3,772,059 | 10,777,311 | 155,248 | 620,992 | 442,309 | 1,769,236 | 4,369,616 | 13,167,539 | 33.2% |
| 2005 | 3,789,811 | 10,828,031 | 165,221 | 660,884 | 468,208 | 1,872,832 | 4,423,240 | 13,361,747 | 33.1% |
| 2004 | 3,752,847 | 10,722,242 | 171,574 | 686,296 | 487,172 | 1,948,688 | 4,411,593 | 13,357,226 | 33.0% |
| 2003 | 3,280,308 | 9,372,309 | 199,143 | 796,572 | 530,490 | 2,210,375 | 4,009,941 | 12,379,256 | 32.4% |
| 2002 | 3,275,750 | 9,359,286 | 185,625 | 742,500 | 564,431 | 2,257,724 | 4,025,806 | 12,359,510 | 32.6% |

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

Source: Lucas County Auditor.

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

| Tax Collection Year | City of Toledo | | | | Transit Authority | Port Authority | Lucas County | Toledo School District | Metro Park District | Total |
|------------------------------------|-------------------------|------------------------------------|----------------------------------|----------------------------------|------------------------------|---------------------------|-------------------------|---------------------------------------|------------------------------------|--------------|
| | General Fund | Police Pension Fund | Fire Pension Fund | Total Toledo Rate | | | | | | |
| 2010 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 16.07 | 67.70 | 1.70 | 92.77 |
| 2009 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 17.77 | 67.70 | 1.70 | 94.47 |
| 2008 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.90 | 62.80 | 1.70 | 87.70 |
| 2007 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.90 | 62.80 | 1.70 | 87.70 |
| 2006 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.90 | 62.80 | 1.70 | 87.70 |
| 2005 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 14.75 | 63.05 | 1.70 | 86.80 |
| 2004 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.90 | 63.05 | 1.70 | 87.95 |
| 2003 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 16.20 | 63.30 | 1.70 | 88.50 |
| 2002 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.65 | 63.50 | 1.70 | 88.15 |
| 2001 | 3.80 | 0.30 | 0.30 | 4.40 | 2.50 | 0.40 | 15.65 | 63.00 | 1.40 | 87.35 |

Source: Lucas County Auditor.

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Nonprofit | \$ 8,772 | \$ 9,918 | \$ 10,258 | \$ 10,178 | \$ 10,159 | \$ 10,013 | \$ 10,040 | \$ 14,174 | \$ 14,825 | \$ 14,092 |
| Hospital | 10,422 | 10,696 | 11,174 | 11,303 | 11,847 | 12,196 | 12,302 | 9,077 | 13,484 | 12,494 |
| Manufacturing | 23,708 | 24,303 | 23,881 | 23,613 | 23,595 | 22,702 | 20,101 | 15,934 | 11,706 | 15,211 |
| Government | 9,320 | 9,661 | 9,796 | 9,548 | 9,987 | 10,219 | 10,497 | 10,723 | 10,276 | 10,107 |
| Services | 10,528 | 9,539 | 9,546 | 9,491 | 10,259 | 10,408 | 14,672 | 10,984 | 8,140 | 6,872 |
| Retail | 1,552 | 1,522 | 1,712 | 1,749 | 1,598 | 1,750 | 1,027 | 943 | 1,375 | 1,184 |
| Banking | 1,317 | 1,444 | 1,493 | 1,345 | 1,300 | 1,263 | 1,207 | 1,009 | 907 | 911 |
| Grocery | 1,353 | 1,307 | 1,247 | 1,229 | 1,332 | 1,349 | 1,404 | 1,442 | 766 | 751 |
| Transportation | 445 | 464 | 480 | 360 | 773 | 328 | 356 | 367 | 563 | 348 |
| Technology | - | - | - | - | - | - | - | 1,447 | 411 | 356 |
| Construction | - | - | 505 | 336 | 228 | 413 | 225 | - | - | - |
| Total | <u>\$ 67,417</u> | <u>\$ 68,854</u> | <u>\$ 70,092</u> | <u>\$ 69,152</u> | <u>\$ 71,078</u> | <u>\$ 70,641</u> | <u>\$ 71,831</u> | <u>\$ 66,100</u> | <u>\$ 62,453</u> | <u>\$ 62,326</u> |

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

| Tax Collection Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Collections in Subsequent Years | Amount of Total Tax Collections | Percent of Total Tax Collections to Tax Levy |
|------------------------------------|-------------------------------|--|--|--|--|---|
| 2010 | 16,975 | 14,800 | 87.2% | 1,094 | 15,894 | 93.6% |
| 2009 | 18,806 | 16,703 | 88.8% | 1,084 | 17,787 | 94.6% |
| 2008 | 19,180 | 16,574 | 86.4% | 1,326 | 17,900 | 93.3% |
| 2007 | 19,693 | 17,782 | 90.3% | 1,232 | 19,014 | 96.6% |
| 2006 | 17,305 | 15,889 | 91.8% | 986 | 16,875 | 97.5% |
| 2005 | 16,954 | 16,702 | 98.5% | 100 | 16,802 | 99.1% |
| 2004 | 16,995 | 16,056 | 94.5% | 753 | 16,809 | 98.9% |
| 2003 | 15,047 | 14,189 | 94.3% | 646 | 14,835 | 98.6% |
| 2002 | 15,659 | 14,886 | 95.1% | 664 | 15,550 | 99.3% |
| 2001 | 14,934 | 14,462 | 96.8% | 398 | 14,860 | 99.5% |

Source: Lucas County Auditor.

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

| Fiscal Year | Governmental Activities | | | Business Type Activities | | | | | Total Primary Government | Percentage of Personal Income (2) | Per Capita (2) |
|-------------|--------------------------|-------------------|--|--------------------------|------------------------------|--------------------------|------------------------|-------------|--------------------------|-----------------------------------|----------------|
| | General Obligation Bonds | Assessed Services | General Fund Capital Projects Loans & Leases | Water Revenue Bonds | Sanitary Sewer Revenue Bonds | General Obligation Bonds | Capital Projects Loans | Other Loans | | | |
| 2010 | \$ 130,166 | \$ 41,060 | \$ 52,716 | \$ 72,909 | \$ 30,932 | 23,449 | \$ 216,342 | \$ 16,866 | \$ 584,440 | 4.0% | 1,406 |
| 2009 | 136,623 | 41,200 | 53,432 | 75,850 | 33,682 | 21,685 | 220,330 | 10,138 | 592,940 | 4.1% | 1,399 |
| 2008 | 120,809 | 40,300 | 50,898 | 79,962 | 36,231 | 22,755 | 212,184 | 11,270 | 574,409 | 4.0% | 1,383 |
| 2007 | 116,016 | 38,800 | 52,966 | 87,010 | 39,134 | 23,783 | 206,259 | 12,381 | 576,349 | 3.9% | 1,359 |
| 2006 | 111,066 | 37,700 | 56,008 | 91,888 | 42,035 | 24,593 | 178,356 | 13,119 | 554,765 | 3.9% | 1,256 |
| 2005 | 112,803 | 36,500 | 53,608 | 96,433 | 44,710 | 25,683 | 104,364 | 13,760 | 487,861 | 3.5% | 1,087 |
| 2004 | 111,930 | 35,600 | 48,110 | 65,990 | 47,084 | 26,897 | 49,864 | 11,743 | 397,218 | 2.9% | 871 |
| 2003 | 112,946 | 31,500 | 51,432 | 69,507 | 49,923 | 28,033 | 36,485 | 12,215 | 392,041 | 2.9% | 869 |
| 2002 | 114,109 | 31,900 | 55,979 | 55,874 | 32,916 | 29,098 | 36,644 | 13,200 | 369,720 | 2.8% | 811 |
| 2001 | 109,261 | - | 21,152 | 58,619 | 35,740 | 28,601 | 12,886 | 11,445 | 277,704 | 2.2% | 617 |

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

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

| Fiscal Year | Population (1) | Assessed Value (2) | Gross General Bonded Debt (2) | Less Balance in Debt Service Fund (2) & (3) | Net General Bonded Debt (2) | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|--------------------|-----------------------|---------------------------|--------------------------------------|--|------------------------------------|---|-----------------------------------|
| 2010 | 287,208 | 3,805,777 | 143,832 | (190) | 143,642 | 3.8% | 500.13 |
| 2009 | 313,619 | 4,128,523 | 152,563 | (118) | 152,445 | 3.7% | 486.08 |
| 2008 | 313,619 | 4,297,595 | 136,904 | (90) | 136,814 | 3.2% | 436.24 |
| 2007 | 313,619 | 4,592,047 | 131,821 | (58) | 131,763 | 2.9% | 420.14 |
| 2006 | 313,619 | 4,813,232 | 126,683 | (45) | 126,638 | 2.6% | 403.80 |
| 2005 | 313,619 | 4,369,616 | 128,474 | (38) | 128,436 | 2.9% | 409.53 |
| 2004 | 313,619 | 4,423,240 | 127,241 | (38) | 127,203 | 2.9% | 405.60 |
| 2003 | 313,619 | 4,411,593 | 125,978 | (29) | 125,949 | 2.9% | 401.60 |
| 2002 | 313,619 | 4,009,940 | 127,805 | (215) | 127,590 | 3.2% | 406.83 |
| 2001 | 313,619 | 4,025,806 | 123,810 | (579) | 123,231 | 3.1% | 392.93 |

Notes: (1) Source: U.S. Bureau of the Census.

(2) Amounts shown in thousands of dollars. Personal Property starting in 2010 is not part of this calculation. Source: Lucas County Auditor.

(3) The City has paid its general bonded debt service for the tax years shown from current income tax revenues. The amount required is transferred to the debt service funds from the capital improvement fund.

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2010

(amounts expressed in thousands)

| | <u>Amount of Debt</u> | <u>Percent Applicable To City</u> | <u>City's Share</u> |
|-------------------------------------|---------------------------|---|-------------------------|
| Direct debt: | | | |
| City of Toledo | \$ 134,691 | 100.0% | \$ 134,691 |
| Total direct debt | <u>134,691</u> | | <u>134,691</u> |
| Subdivision overlapping debt: | | | |
| Toledo City School District | 166,295 | 98.9% | 164,466 |
| Lucas County | 38,101 | 47.6% | 18,136 |
| Sylvania City School District | 97,037 | 7.8% | 7,569 |
| Maumee City School District | 34,205 | 11.8% | 4,036 |
| Springfield Local School District | 14,240 | 10.0% | 1,424 |
| Sylvania Area Joint Recreation Dist | 11,405 | 7.8% | 890 |
| Penta County Career Center | 425 | 2.2% | 9 |
| Ottawa Hills Local School District | 2,740 | 0.3% | 8 |
| Total subdivision overlapping debt | <u>364,448</u> | | <u>196,538</u> |
| Total Direct and Overlapping Debt | <u>\$ 499,139</u> | | <u>\$ 331,229</u> |

Source: Lucas County Auditor.

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt limit | \$ 422,710 | \$ 421,044 | \$ 463,217 | \$ 464,440 | \$ 458,810 | \$ 505,389 | \$ 482,165 | \$ 451,247 | \$ 405,598 | \$ 399,607 |
| Total net debt applicable to limit | <u>126,895</u> | <u>127,974</u> | <u>126,776</u> | <u>127,021</u> | <u>128,474</u> | <u>126,683</u> | <u>131,821</u> | <u>136,904</u> | <u>152,563</u> | <u>143,832</u> |
| Legal debt margin | <u>\$ 295,815</u> | <u>\$ 293,070</u> | <u>\$ 336,441</u> | <u>\$ 337,419</u> | <u>\$ 330,336</u> | <u>\$ 378,706</u> | <u>\$ 350,344</u> | <u>\$ 314,343</u> | <u>\$ 253,035</u> | <u>\$ 255,775</u> |
| Total net debt applicable to limit as a percentage of legal debt margin | 42.90% | 43.67% | 37.68% | 37.64% | 38.89% | 33.45% | 37.63% | 43.55% | 60.29% | 56.23% |

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

| Water Revenue Bonds | | | | | | | | |
|---------------------|-------------------------|--------------------------|-----------------------|--------------|----------|----------|----------|--|
| Fiscal Year | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service | | Total | Coverage | |
| | | | | Principal | Interest | | | |
| 2010 | \$ 42,199 | \$ 32,851 | \$ 9,348 | \$ 5,215 | \$ 3,125 | \$ 2,090 | 4.5 | |
| 2009 | 35,913 | 32,285 | 3,628 | 5,240 | 3,628 | 8,868 | 1.4 | |
| 2008 | 38,070 | 27,072 | 10,998 | 5,015 | 3,835 | 8,850 | 1.4 | |
| 2007 | 41,713 | 29,016 | 12,697 | 4,715 | 4,494 | 9,209 | 1.4 | |
| 2006 | 38,811 | 26,002 | 12,809 | 4,545 | 4,464 | 9,009 | 1.4 | |
| 2005 | 39,875 | 27,524 | 12,351 | 5,565 | 3,174 | 8,739 | 1.4 | |
| 2004 | 35,406 | 23,585 | 11,821 | 3,517 | 3,277 | 6,794 | 1.7 | |
| 2003 | 33,732 | 22,607 | 11,125 | 3,475 | 3,163 | 6,638 | 1.7 | |
| 2002 | 35,115 | 21,744 | 13,371 | 2,745 | 2,953 | 5,698 | 2.3 | |
| 2001 | 34,454 | 20,494 | 13,960 | 2,620 | 3,066 | 5,686 | 2.5 | |
| Sewer Revenue Bonds | | | | | | | | |
| 2010 | \$ 57,010 | \$ 49,084 | \$ 7,926 | \$ 2,360 | \$ 1,361 | \$ 999 | 7.9 | |
| 2009 | 54,189 | 38,812 | 15,377 | 3,140 | 1,590 | 4,730 | 2.1 | |
| 2008 | 56,064 | 31,317 | 24,747 | 3,015 | 1,721 | 4,736 | 2.1 | |
| 2007 | 52,289 | 31,367 | 20,922 | 2,790 | 6,381 | 9,171 | 2.3 | |
| 2006 | 51,253 | 29,633 | 21,620 | 2,675 | 5,409 | 8,084 | 2.7 | |
| 2005 | 47,366 | 27,338 | 20,028 | 7,540 | 4,589 | 12,129 | 1.7 | |
| 2004 | 41,121 | 25,165 | 15,956 | 2,839 | 3,994 | 6,833 | 2.3 | |
| 2003 | 36,095 | 24,287 | 11,808 | 2,885 | 2,369 | 5,254 | 2.3 | |
| 2002 | 35,703 | 24,970 | 10,733 | 2,824 | 1,894 | 4,718 | 2.3 | |
| 2001 | 36,560 | 22,542 | 14,018 | 2,693 | 2,002 | 4,695 | 3.0 | |

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) | | | | |
| 2010 | 287,208 | \$ 14,498,105 | \$ 35,147 | 33.8 | 25,000 | 10.3% |
| 2009 | 313,619 | 14,327,871 | 34,123 | 35.1 | 26,400 | 12.4% |
| 2008 | 313,619 | 14,525,628 | 34,578 | 35.1 | 26,500 | 8.9% |
| 2007 | 313,619 | 14,686,439 | 34,839 | 35.3 | 26,600 | 7.3% |
| 2006 | 313,619 | 14,304,000 | 32,200 | 35.3 | 29,070 | 6.8% |
| 2005 | 313,619 | 13,890,020 | 31,045 | 35.3 | 29,850 | 7.3% |
| 2004 | 313,619 | 13,503,325 | 30,035 | 35.3 | 32,985 | 8.0% |
| 2003 | 313,619 | 13,556,678 | 29,970 | 35.3 | 34,200 | 8.1% |
| 2002 | 313,619 | 13,142,344 | 28,980 | 35.3 | 35,610 | 8.3% |
| 2001 | 313,619 | 12,754,660 | 28,064 | 35.3 | 36,719 | 5.8% |
| 2000 | 313,619 | 12,669,269 | 27,853 | 31.7 | 37,315 | 5.7% |

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

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

* values are calculated using Lucas County statistics

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

| Employer | 2010 | | | 2001 | | |
|---|---------------|------|------------------------------------|---------------|------|------------------------------------|
| | Employees | Rank | Percentage of Total MSA Employment | Employees | Rank | Percentage of Total MSA Employment |
| Promedica Health Systems | 11,708 | 1 | 3.57% | 10,000 | 1 | 3.16% |
| The University of Toledo and Medical Center | 6,240 | 2 | 1.90% | 5,000 | 4 | 1.53% |
| Mercy Health Partners | 5,551 | 3 | 1.69% | 7,377 | 2 | 2.25% |
| United Parcel Service | 4,500 | 4 | 1.37% | 2,119 | | 0.58% |
| Toledo City School District | 4,400 | 5 | 1.34% | 5,000 | 4 | 1.53% |
| Lucas County | 3,360 | 6 | 1.02% | 4,510 | 5 | 1.27% |
| Wal-Mart | 2,756 | 7 | 0.84% | - | | |
| The City of Toledo | 2,650 | 8 | 0.81% | 2,983 | | 0.81% |
| Chrysler LLC | 2,561 | 9 | 0.78% | 4,100 | 7 | 1.26% |
| Bowling Green State University | 2,378 | 10 | 0.72% | 6,432 | 3 | 1.96% |
| The Andersons | 920 | | 0.28% | 3,600 | 9 | 1.11% |
| Seaway Foodtown, Inc. | - | | 0.00% | 4,300 | 6 | 1.31% |
| General Motors Corp./GM Powertrain Division | 1,692 | | 0.52% | 4,092 | 8 | 1.25% |
| Medical College of Ohio (a) | - | | 0.00% | 3,500 | 10 | 1.07% |
| Total | 48,716 | | 14.84% | 63,013 | | 19.09% |

Source: Toledo Regional Growth Partnership
(a) Merged with University of Toledo

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

| Major Service Area | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Public safety | 1,366 | 1,378 | 1,361 | 1,350 | 1,323 | 1,345 | 1,326 | 1,270 | 1,191 | 1,152 |
| Public utilities | 550 | 541 | 561 | 560 | 582 | 587 | 597 | 578 | 575 | 564 |
| Public service | 444 | 447 | 445 | 431 | 447 | 447 | 436 | 430 | 427 | 377 |
| General government | 346 | 348 | 347 | 342 | 336 | 342 | 350 | 343 | 327 | 423 |
| Community environment | 95 | 96 | 94 | 90 | 88 | 86 | 85 | 84 | 81 | 79 |
| Parks and recreation | 89 | 95 | 98 | 93 | 74 | 76 | 81 | 75 | 64 | 63 |
| Total | 2,890 | 2,905 | 2,906 | 2,866 | 2,850 | 2,883 | 2,875 | 2,780 | 2,665 | 2,658 |

Source: City of Toledo payroll office

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

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

| Function/Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | |
| Building permits | 6,461 | 6,281 | 6,200 | 6,314 | 6,492 | 5,537 | 5,055 | 4,260 | 4,984 |
| Value of permits (in thousands) | 92,457 | 144,184 | 176,421 | 295,067 | 276,746 | 146,514 | 196,578 | 138,153 | 168,415 |
| Total board-ups | 337 | 423 | 465 | 586 | 931 | 664 | 710 | 704 | 748 |
| Total demolitions | 306 | 214 | 237 | 222 | 285 | 312 | 300 | 300 | 325 |
| Police | | | | | | | | | |
| Traffic citations | 42,160 | 43,869 | 48,790 | 48,504 | 52,331 | 60,786 | 55,694 | 21,966 | 23,895 |
| Red light cameras | 10,418 | 13,509 | 17,305 | 25,186 | 18,512 | 24,104 | 18,142 | 19,681 | 20,008 |
| Number of offenses | 27,204 | 26,777 | 25,283 | 27,776 | 26,534 | 23,826 | 22,738 | 36,433 | 35,568 |
| 911 call volume | 463,697 | 436,151 | 440,649 | 433,415 | 430,523 | 406,101 | 392,969 | 389,112 | 389,112 |
| Non-emergency calls | 107,772 | 103,289 | 101,838 | 108,961 | 114,065 | 111,755 | 101,882 | 87,412 | 87,412 |
| Fire | | | | | | | | | |
| Emergency runs | 39,535 | 38,461 | 38,393 | 39,796 | 38,630 | 41,135 | 40,003 | 42,639 | 41,154 |
| Fire runs | 8,262 | 7,534 | 7,397 | 7,175 | 7,550 | 7,533 | 10,346 | 6,812 | 6,958 |
| Total runs | 47,797 | 45,995 | 45,790 | 46,971 | 46,180 | 48,668 | 50,349 | 49,451 | 48,112 |
| Other public works | | | | | | | | | |
| Traffic signs manufactured/installed | | | 21,925 | 25,653 | 26,936 | 32,508 | 31,491 | 29,879 | 29,879 |
| Energy reduction (traffic signals) | | 0.2% | 7.5% | 10.3% | 13.1% | 17.1% | 17.8% | 17.9% | 17.9% |
| Traffic signals replaced | 111 | 38 | 59 | 79 | 81 | 122 | 458 | 386 | 324 |
| Traffic signal calls | | | 5,221 | 7,069 | 6,823 | 6,731 | 6,125 | 5,867 | 5,648 |
| Energy | | | | | | | | | |
| Electric customers - Toledo Edison Company | 316,000 | 303,000 | 303,000 | 303,000 | 307,000 | 307,000 | 310,000 | 310,000 | 305,000 |
| Natural gas customers - Columbia Gas of Ohio, Inc. | 175,000 | 175,744 | 179,250 | 177,329 | 178,500 | 176,715 | 173,000 | 172,000 | 171,000 |
| Toledo Lucas County Public Library | | | | | | | | | |
| Volumes in collection | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 |
| Total volumes borrowed | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Water | | | | | | | | | |
| New connections | 2,030 | 1,765 | 1,721 | 1,404 | 791 | 584 | 622 | 618 | 725 |
| Water main breaks | 469 | 435 | 281 | 447 | 203 | 448 | 333 | 306 | 315 |
| Average daily consumption (millions of gallons) | 81.8 | 78.4 | 78.8 | 86.9 | 80.8 | 80.7 | 76.6 | 76.6 | 75.8 |
| Wastewater | | | | | | | | | |
| Average daily treatment (millions of gallons) | 64.0 | 65.0 | 64.0 | 90.7 | 76.4 | 70.9 | 75.9 | 71.4 | 70.7 |
| Public Transit | | | | | | | | | |
| Toledo Area Regional Transit Authority passengers | 4,609,819 | 4,561,045 | 4,537,990 | 4,727,186 | 4,614,412 | 4,609,701 | 4,622,229 | 4,075,250 | 4,156,305 |

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.

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

| Function/ Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | |
| Number of stations | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 3 |
| Number of substations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 1 |
| Number of employees with arrest power | 693 | 693 | 686 | 673 | 688 | 667 | 637 | 583 | 566 |
| Number of neighborhood offices | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 3 | 4 |
| Fire Division | | | | | | | | | |
| Number of stations | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of firefighters | 526 | 526 | 510 | 498 | 525 | 484 | 478 | 462 | 482 |
| Other public works | | | | | | | | | |
| Streets (in miles) | 1,122 | 1,122 | 1,122 | 1,122 | 1,122 | 1,122 | 1,122 | 1,122 | 1123 |
| Rail (in miles) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1200 |
| Toledo Lucas County Public Library | | | | | | | | | |
| Branches | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Medical | | | | | | | | | |
| Number of hospitals | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of beds | 1,641 | 1,684 | 1,737 | 1,839 | 1,839 | 1,684 | 1,716 | 1,661 | 1673 |
| Parks & recreation | | | | | | | | | |
| Acreage | 2,368 | 2,368 | 2,368 | 2,368 | 2,368 | 2,368 | 2,368 | 2,368 | 2368 |
| Number of parks | 144 | 144 | 145 | 145 | 145 | 145 | 145 | 145 | 145 |
| Public pools | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Golf courses | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Water | | | | | | | | | |
| Water lines (in miles) | 1,129 | 1,135 | 1,140 | 1,150 | 1,150 | 1,165 | 1,165 | 1,165 | 1165 |
| Storage capacity (in millions of gallons) | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 |
| Plant capacity (in millions of gallons) | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Wastewater | | | | | | | | | |
| Sanitary sewers (in miles) | 951 | 951 | 960 | 960 | 960 | 960 | 960 | 960 | 960 |
| Treatment capacity (in millions of gallons) | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 |

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.