



CITY OF TOLEDO, OHIO

Single Audit Reports

Year Ended December 31, 2011



Dave Yost • Auditor of State

Members of Council
City of Toledo
One Government Center
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We have reviewed the *Independent Auditors' Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 25, 2012

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CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
CDBG Entitlement Cluster:			
Community Development Block Grants/Entitlement Grants	G35000-G37999/ GNSP08/GNSP10	14.218	\$ 12,629,745
ARRA - Community Development Block Grants ARRA Entitlement Grants	GSBG09	14.253	224,322
Total CDBG Entitlement Cluster			<u>12,854,067</u>
Emergency Shelter Grants Program	GE2300-GE2599	14.231	145,789
HOME Investment Partnerships Program	GH1000-GH2999	14.239	2,723,445
HOME Investment Partnerships Program	Outstanding Loans	14.239	840,214
			<u>3,563,659</u>
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	GED602-GED899	14.251	113,745
ARRA - Neighborhood Stabilization Program	G9NSP2	14.256	3,630,565
ARRA - Homelessness Prevention and Rapid Re-Housing Program	GFTLC9/GHPF09	14.257	1,431,925
Lead-Based Paint Hazard Control in Privately-Owned Housing	GL7000	14.900	508
Total U.S. Department of Housing and Urban Development			<u>21,740,258</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Great Lakes Restoration Program	G10390	15.662	54,334
Total U.S. Department of the Interior			<u>54,334</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Civil Rights of Institutionalized Persons	G06781/G06782	16.105	15,156
Juvenile Justice and Delinquency Prevention - Allocation to States	G07729	16.540	17,455
ARRA - Public Safety Partnership and Community Policing Grants	G07739	16.710	2,666,647
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	G07711/G13217/G13231	16.738	62,990
<i>(Passed through Toledo-Lucas County Criminal Justice Coordinating Council):</i>			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	GF3000-GF7999	16.804	412,040
Total JAG Program Cluster			<u>475,030</u>
<i>(Passed through Ohio's Office of Criminal Justice):</i>			
Violence Against Women Formula Grants	G07330/G07331	16.588	30,648
Community Capacity Development Office	G05600-G06799	16.595	9,433
Total U.S. Department of Justice			<u>3,214,369</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Highway Planning and Construction Cluster:			
<i>(Passed through Ohio Department of Transportation):</i>			
Highway Planning and Construction	Various	20.205	8,826,755
ARRA - Highway Planning and Construction	Various	20.205	503,160
Total Highway Planning and Construction Cluster			<u>9,329,915</u>
Highway Safety Cluster:			
<i>(Passed through Ohio Department of Highway Safety):</i>			
State and Community Highway Safety	G06748-G6751	20.600	71,084
Safety Belt Performance Grants	G19230	20.609	6,560
Total Highway Safety Cluster			<u>77,644</u>
Total U.S. Department of Transportation			<u>9,407,559</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Nonpoint Source Implementation Grants	G10384	66.460	2,258
Great Lakes Program	G10399	66.469	96,790
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	Various	66.818	622,233
<i>(Passed through Ohio Environmental Protection Agency):</i>			
Air Pollution Control Program Support	G2009V-G2012V	66.001	391,320
Total U.S. Environmental Protection Agency			<u>1,112,601</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
ARRA - Energy Efficiency and Conservation Block Grant Program	GEEC01	81.128	550,157
Total U.S. Department of Energy			<u>550,157</u>

(Continued)

CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2011

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
EXECUTIVE OFFICE OF THE PRESIDENT			
High Intensity Drug Trafficking Area (HIDTA) Grants	G04860/G04861	95.001	<u>169,400</u>
Total Executive Office of the President			<u>169,400</u>
U.S. Department of Homeland Security:			
ARRA - Assistance to Firefighters Grant	G05439	97.115	540,610
<i>(Passed through Ohio Emergency Management Agency):</i>			
Emergency Management Performance Grants	G4500-G5400	97.042	<u>749,243</u>
Total U.S. Department of Homeland Security			<u>1,289,853</u>
Total Federal Awards			<u>\$ 37,538,531</u>

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
U.S. Department of Housing & Urban Development:		
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,917,362
Emergency Shelter Grants Program	14.231	307,422
U.S. Department of Energy		
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	<u>100,000</u>
		<u>\$ 2,324,784</u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2012. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed as items 2011-1 and 2011-3 and described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency listed as 2011-2 and described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

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Compliance And Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated August 31, 2012.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 31, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Toledo, Ohio's (the "City") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in item 2011-4 in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient documentation supporting the compliance of the City the HOME Investments Partnership Program regarding matching requirements nor were we able to satisfy ourselves as to the City's compliance with the requirement by other auditing procedures.

As described in item 2011-6 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding allowable costs that are applicable to its CDBG Entitlement Cluster and HOME Investment Partnership Program. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to those programs.

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In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the City's compliance with the requirements of the HOME Investments Partnership Program regarding matching requirements and except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2011-7, 2011-8, and 2011-9.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-4 and 2011-6 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-5, 2011-7, 2011-8, and 2011-9 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2011, and have issued our report thereon dated August 31, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 31, 2012

CITY OF TOLEDO, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2011

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Type of auditors’ report issued on compliance for major programs:	Unqualified for all major programs except for CDBG Cluster (CFDA 14.218/14.253) which was qualified and (CFDA 14.239), which was qualified and qualified for a scope limitation.

Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	Yes
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Identification of major programs:	
• CDBG Entitlement Cluster:	
CFDA 14.218 – Community Development Grants/Entitlement Grants	
CFDA 14.253 – ARRA - Community Development Block Grant/Entitlement Grants	
• CFDA 14.239 – HOME Investment Partnerships Program	
• CFDA 14.256 – ARRA – Neighborhood Stabilization Program	
• CFDA 14.257 – ARRA - Homelessness Prevention and Rapid Re-Housing Program	
• CFDA 16.710 – ARRA - Public Safety Partnership and Community Policing Grants	
• CFDA 81.128 – ARRA - Energy Efficiency and Conservation Block Grant	

Dollar threshold to distinguish between Type A and Type B Programs:	\$1,126,156
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Auditee qualified as low-risk auditee?	No
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Section II – Financial Statement Findings

Finding 2011-1 – Audit Adjustments and Financial Reporting

During the course of our audit, we identified misstatements in the financial statements for the year ended December 31, 2011 not initially identified by the City's internal control over financial reporting. Audit adjustments were necessary to correct errors which primarily related to receivable and revenue recognition for non-exchange transactions. The adjustments related to state entitlements and grants resulting in increases in intergovernmental receivables and revenue. In addition, numerous corrections were necessary to the financial statements prepared by management related to classification and presentation of accounts and balances within the financial statements.

Management Response: *Management concurs.*

Finding 2011-2 – Utilities IT System

During our review of the utilities IT system, we noted one person was responsible for security administration, production systems, and testing. While this provided some efficiency to the conversion process to the system, this condition presents a lack of segregation of duties. We further noted that utility employees can access their own utility accounts within the system.

Management Response: *Management concurs.*

Finding 2011-3 – Schedule of Expenditures of Federal Awards

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, program clusters, and name of the pass-through entity. We noted errors in the City's schedule of expenditure of federal awards that needed corrected to ensure programs were accounted for accurately on the schedule.

Management Response: *Management concurs.*

Section III – Federal Award Findings and Questioned Costs

Finding 2011-4 – Matching

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOME Investment Partnerships Program – CFDA No. 14.239

Criteria: The City must provide eligible matching contributions of 25% of HOME funds drawn during the fiscal year. Matching information is provided on the *HOME Match Report* (HUD-40107-A) (24 CFR sections 92.218 through 92.220, 92.222, and 92.508)

Condition: The City did not maintain supporting documentation for the amounts used in the matching calculation. Therefore, we could not determine the accuracy of the calculations.

Cause: Procedures were not in place to ensure retention of supporting documentation.

Effect: The calculations may not have been calculated accurately resulting in potential noncompliance with the requirement.

Recommendation: The City should establish controls to ensure all matching calculations are supported by appropriate documentation.

Views of Responsible Officials: Management concurs.

Finding 2011-5 – Eligibility

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOME Investment Partnerships Program – CFDA No. 14.239

Criteria: The City must determine if each family is income eligible by determining the family's annual income, as provided for in 24 CFR section 92.203. The City must maintain records for each family assisted (24 CFR section 92.508).

Condition: The City's controls over eligibility include an approval and sign off by an authorized individual. We noted that one of the four applications for down payment assistance tested did not contain the proper approval.

Cause: Controls over eligibility related to down payment assistance applications did not function as designed.

Effect: Lack of controls over eligibility could result in ineligible participants receiving program benefits.

Recommendation: The City should establish controls to ensure all applications are properly reviewed and signed by authorized individuals.

Views of Responsible Officials: Management concurs.

Finding 2011-6 – Allowable Costs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CDBG – Entitlement Grants Cluster - CFDA Nos. 14.218 and 14.253 (ARRA) and HOME Investment Partnerships Program – CFDA No. 14.239

Criteria: Program costs must be allowable under the provisions of OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*. The general criteria for allowability of costs include appropriate cost documentation in accordance with the A-102 Common Rule for State, local and Indian tribal governments.

Condition: The City charged payroll to the programs which was not supported by accurate personnel activity reports or periodic time studies.

Context: A sample of costs charged to CDBG totaling \$67,238 was selected from a population of \$4,463,441. The test found items totaling \$11,659 were not supported by accurate timesheets. The timesheets contained errors in calculation that were corrected at the time of the audit. The test also found items totaling \$629 were not supported by documentation.

A sample of costs charged to HOME totaling \$19,315 was selected from a population of \$283,745. The test found items totaling \$3,414 were not supported by accurate timesheets. The timesheets contained errors in calculation that were corrected at the time of the audit.

Cause: The City's procedures for approving timesheets do not appear to be adequate. Differences were noted in time spent on the program per timesheets and the amounts charged to the grant and posted to the accounting system.

Effect: Unallowable costs may have been charged to these programs due to the lack of controls. As noted above, payroll costs charged to the programs were not supported and thus, are considered questioned costs.

Recommendation: The City should establish procedures to ensure that payroll charges to the grants are supported by accurately prepared and reviewed personnel activity reports or periodic time studies.

*Views of
Responsible
Officials:*

Management concurs.

Finding 2011-7 – Subrecipient Monitoring

U.S. DEPARTMENT OF ENERGY

Energy Efficiency and Conservation Block Grant – CFDA No. 81.128 (ARRA)

Criteria: Pass-through entities should ensure that subrecipients expending \$500,000 or more of Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period.

Condition: The City is not monitoring subrecipients to determine that subrecipients expending \$500,000 or more of Federal awards are receiving the audit required by OMB Circular A-133.

Cause: The City did not implement procedures to monitor subrecipient's compliance with audit requirements in accordance with OMB Circular A-133.

Effect: Subrecipients could be out of compliance with awards passed-through by the City as well as not following up or correcting audit findings.

Recommendation: The City should establish controls to ensure subrecipients expending \$500,000 or more of Federal awards are receiving the required audit per OMB Circular A-133 and that any audit findings are properly followed up on and corrected.

*Views of
Responsible
Officials:*

Management concurs.

Finding 2011-8 – Reporting

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Neighborhood Stabilization Program - CFDA No. 14.256 (ARRA) and Homelessness Prevention and Rapid Re-Housing Program – CFDA No. 14.257 (ARRA)

- Criteria:** The City must file quarterly 1512 reports as required with ARRA funded programs as well as quarterly performance reports. These reports must be supported by underlying data to verify that the data was accumulated and summarized accurately in accordance with these reporting requirements.
- Condition:** The 2nd and 4th quarter 1512 and performance reports for NSP included errors related to administrative costs that could not be accurately agreed back to supporting documentation.
- The 4th quarter 1512 report for HPRP included errors related to agency disbursements with some being overstated, others understated and certain items being excluded altogether.
- Cause:** The City did not maintain accurate supporting disbursement documentation for the 1512 and performance reports.
- Effect:** The City may not be in compliance with reporting requirements of these grants.
- Recommendation:** The City should establish controls to ensure all reports are properly supported by accurate documentation and review prior to submission.

*Views of
Responsible
Officials:*

Management concurs.

Finding 2011-9 – Cash Management

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Neighborhood Stabilization Program - CFDA No. 14.256 (ARRA)

- Criteria:** When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government as required by the U.S. Department of the Treasury regulations at 31 CFR part 205.
- Condition:** The City did not maintain accurate supporting detail expenditure documentation for each reimbursement request during the audit period. Further, we noted instances in which it appeared the City paid certain grant expenditures after the reimbursement request.
- Cause:** The City's controls over the program did not function as designed as accurate supporting detail expenditure documentation for each reimbursement request was not prepared and maintained to ensure the funds had been expended prior to the request for reimbursement.
- Effect:** Lack of controls over cash management policies could result in noncompliance with grant requirements.

Recommendation: The City should establish controls to ensure all reimbursement requests are made subsequent to the expenditure as well as maintain supporting documentation for all reimbursement requests.

*Views of
Responsible
Officials:* *Management concurs.*

Financial Statement Prior Audit Findings

Finding 2010-1 – Audit Adjustments

We identified misstatements in the financial statements for the year ended December 31, 2010 that were not initially identified by the City's internal control over financial reporting.

Status: Repeated as Finding 2011-1.

Finding 2010-2 – Utilities IT System

It was noted that one person was responsible for security administration, production systems and testing. While this provided some efficiency to the conversion process to the new system, the situation presented a lack of segregation of duties.

Status: Repeated as Finding 2011-2.

Finding 2010-3 – Schedule of Expenditures of Federal Awards

The City did not have effective controls to ensure the completeness and accuracy of the schedule of expenditures of federal awards.

Status: Repeated as Finding 2011-3.

Federal Award Prior Audit Findings

Finding 2010-4 – Reporting for CDBG (14.218, 14.253) and HOME (CFDA 14.239)

It was noted that HUD Form 60002 was not completed or submitted within the required timeframe.

Status: Corrected in 2011.

Finding 2010-5 – Davis-Bacon for HOME (CFDA 14.239)

The City did not maintain any certified payrolls received with respect to HOME projects nor keep a record of them.

Status: Corrected in 2011.

Finding 2010-6 – Special Tests and Provisions for HOME (CFDA 14.239)

The City did not maintain a master control log that list each HOME assisted rental housing project undertaken and completed since the inception of the HOME Program. Adequate samples could not be selected to test the related compliance requirement regarding housing quality standards.

Status: Corrected in 2011.

Finding 2010-7 – Earmarking for CDBG (14.218, 14.253)

The City performed calculations to demonstrate their compliance with the earmarking calculations but did not maintain supporting detail for the amounts used in each of the earmarking calculations. Therefore, we could not determine the accuracy of the calculations.

Status: Corrected in 2011.

Finding 2010-8 – Matching for HOME (CFDA 14.239)

The City did not maintain supporting documentation for the amounts used in the matching calculation. Therefore, we could not determine the accuracy of the calculations.

Status: Repeated as Finding 2011-4.

Finding 2010-9 – Allowable Costs for CDBG (14.218, 14.253)

The City did not maintain supporting documentation for journal entries for charges that are allocated to various departments including the Department of Neighborhoods. Therefore, we could not determine allowability of certain costs charged to the program.

Status: Corrected in 2011.

Finding 2010-10 – Allowable Costs for CDBG (14.218, 14.253)

The City charged payroll to the program which was not supported by personnel activity reports or timesheets.

Status: Repeated as Finding 2011-6.

Finding 2010-11 – Cash Management for CDBG (14.218, 14.253) and HOME (CFDA 14.239)

The City did not maintain the supporting detail expenditure documentation for each reimbursement request during the audit period. Therefore, we could not determine if expenditures had been incurred prior to the request for reimbursement. Further, we noted instances in which it appeared the City paid certain grant expenditures up to one month after the reimbursement request.

Status: Corrected in 2011.

**Finding 2010-12 – Subrecipient Monitoring for CDBG (14.218, 14.253) and
EECBG (CFDA 81.128)**

The City was not monitoring subrecipients to determine that subrecipients expending \$500,000 or more of Federal awards are receiving the audit required by OMB Circular A-133.

Status: Corrected in 2011 for CDBG. Repeated as Finding 2011-7 for EECBG.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011



PREPARED BY:

DEPARTMENT OF FINANCE

PATRICK MCLEAN, FINANCE DIRECTOR

City of Toledo, Ohio
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2011

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INTRODUCTORY SECTION

City of Toledo, Ohio

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CITY OF TOLEDO



Michael P. Bell
Mayor

Patrick A. McLean
Director of Finance

August 31, 2012

Honorable Mayor Michael P. Bell, Joe McNamara, 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, 2011.

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

The City's management assumes the responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal 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, 2011. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

For Financial purposes, this CAFR is in conformity with the provision of 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. 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. The Toledo MSA consist of manufacturers of automobiles and automotive parts, glass, wood products, grain and food products, petroleum, chemicals, machinery, tools, rubber products, plastics, die castings and solar energy panels. 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 2011 Fortune 500 corporation, has its headquarters in the City, and two other of the 2011 Fortune 500 corporations, Dana Holding Corporation and Owens-Illinois, Inc., have their corporate headquarters in the Toledo MSA.

The ProMedica Health System and Mercy Health Partners, which operate health care systems, are the two largest employers in the Toledo MSA. These systems have aggressively expanded and improved their facilities and property holdings within the City in the past decade.

The University of Toledo (including its Medical Center) is the third largest employer in the Toledo MSA. Both the University's Main Campus and its Medical Campus are located within the City. In addition to the training and

education provided to students, the research programs at the University result in and support the creation of new medical and high-technology enterprises.

Chrysler Group, LLC is one of the largest manufacturing employers in the Toledo MSA. Chrysler now employs approximately 1,700 workers at its Toledo North Assembly complex, where it produces the Jeep Wrangler, Jeep Liberty, and Dodge Nitro. They also employ 770 workers at its Toledo Machine Plant in nearby Perrysburg Township. Chrysler's Wrangler assembly operation in the Toledo Plant complex has been named as the most productive auto assembly plant by Harbour Report for the past two years. Approximately 1,710 additional workers are now employed at the Supplier Park adjacent to the Toledo complex. After announcing a \$116 million net profit in the first quarter of 2011, Chrysler Group LLC repaid \$7.6 billion in government loans from the United States Treasury and Canada. Using proceeds from a bond issue, private bank loans and an additional \$1.3 billion investment by Fiat S.p.A., Chrysler purchased the U.S. Treasury's remaining 6% equity interest in Chrysler Group LLC. Fiat S.p.A. now owns approximately 52% of the company's shares.

General Motors' Powertrain Division manufactures and assembles transmissions at a 1.68-million-square-foot facility located on 185 acres in the City. According to newspaper reports, that facility has been repeatedly recognized by Harbour Report as the most productive powertrain plant in North America. In the last six years, GM has completed two major projects to renovate and expand the plant to prepare it as a site for production of a new six-speed, front-wheel and rear-wheel drive automatic transmissions. The rear-wheel transmissions are used in light trucks and sport utility vehicles. The front-wheel drive transmissions are to be used in five small, fuel-efficient vehicles, including the new Chevrolet Cruze. In 2011, GM announced an additional expansion of the plant for production of fuel-efficient eight-speed transmissions and an upgrading of its assembly line for front-wheel drive six-speed transmissions.

The Andersons, Inc., based in the City of Maumee just southwest of the City, is a corporate conglomerate with a collection of agricultural-based businesses that include grain, fertilizers, general stores, and ethanol production for alternative energy fuel.

The City, County and the Toledo MSA have become a center for research, development and commercialization of advanced solar energy technologies, building on glass-making expertise, thin-film and nanomaterials research and development efforts for photovoltaic applications. The city has attracted coverage from The Economist, The Wall Street Journal and Newsweek as well as 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 City, County, Port Authority, Toledo Regional Growth Partnership and the State of Ohio have 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 has redeveloped the restaurant and entertainment complex on that property and has completed work on renovations. 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. The redevelopment project is estimated to cost \$200 to \$300 million and is 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 Assembly Plant manufacturing complex, with ready access to interstate highways and other important transportation facilities. The Toledo-Lucas County Port Authority is expected to receive \$2.99 million to demolish existing building foundations and remediate impacted soils on the site at 1000 Jeep Parkway. It plans to develop an industrial park for alternative energy and other emerging technologies. The Port Authority was also a recipient of a \$1.49 million sustainable Reinvestment Pilot Track award for urban waterfront property on the same site. The funds will be used for demolition and remediation of impacted soil there.
- In 2011, Penn National Gaming, Inc. began construction of the \$320 million "Hollywood Casino Toledo" on a remediated brownfield site in the City, as authorized by an amendment to the Ohio Constitution and approved by the voters on November 3, 2009. The facility, which is located adjacent to I-75 at the Miami Street exit opened on May 29, 2012. The 125,000-square-foot facility features over 2,000 slot machines, 80 game tables and 20 poker tables, a 2,500-parking-space garage, as well as multiple food and beverage outlets and an entertainment lounge. Penn National and its affiliates operate twenty gaming facilities in fifteen states and the Province of Ontario in Canada, as well as several race tracks. An estimated 1,000 temporary jobs were created during the construction of the facility, and Penn National estimates that approximately 1,300 permanent casino jobs were created. 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 may receive as much as \$10.3 million annually from that tax after operations begin at all four casinos in Ohio. In addition, the City will collect local income taxes from the casino employees and persons winning over \$1,200; as well as 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 May and August 2011, General Motors Co. announced that it would be making two major investments in its GM Powertrain Division's Alexis Road transmission plant in the City: a \$204 million investment to prepare the for production of fuel-efficient eight-speed transmissions for upcoming projects and an \$83 million investment to upgrade that plant's assembly line for front-wheel drive six-speed transmissions. These are the third and fourth major investments General Motors has made in that plant in the past six 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 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 began 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 2009, the County completed construction of the \$105 million arena known as the Huntington Center, located in the Downtown area of the City near the County's SeaGate Convention Center and Fifth Third Field. The Huntington Center is used for a variety of events each year including concerts, athletic events including minor league hockey games and to attract visitors and promote additional development in the Downtown area. Construction of the Huntington Center was financed by 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 Huntington Center was recently named the number one venue in a twelve-state Midwest area for arena its size, based on ticket sales and attendance.
- 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, 2010. This is the twenty-ninth 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.

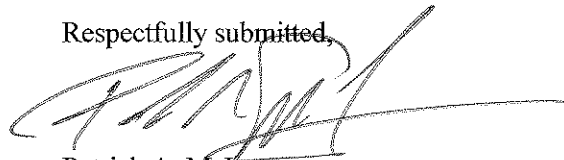
A Certificate of Achievement is valid for a period of one year only. We believe that our current year Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



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, 2010

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.



Linda C. Dandson

President

Jeffrey R. Emery

Executive Director

City of Toledo, Ohio
List of Principal Officials

Mayor

Michael P. Bell

Members of Council

<u>At-Large Seats</u>	<u>Length of Service</u>
Philip Copeland	Seven Years
Rob Ludeman	Three Years
Joe McNamara, President	Six Years
George Sarantou	Ten Years
Adam Martinez	Three Years
Steven Steel	Three Years
<u>District Seats</u>	
Tyrone Riley (West-Central)	One Year
D. Michael Collins (South-West)	Four Years
Michael Craig (East Toledo-Historic South)	Six Years
Paula Hicks-Hudson (Central City)	One Year
Tom Waniewski (North-West)	Four Years
Lindsay Webb (North Toledo-Point Place)	Four Years

Clerk of Council

Gerald Dendinger

Director of Finance

Patrick McLean

City Treasurer

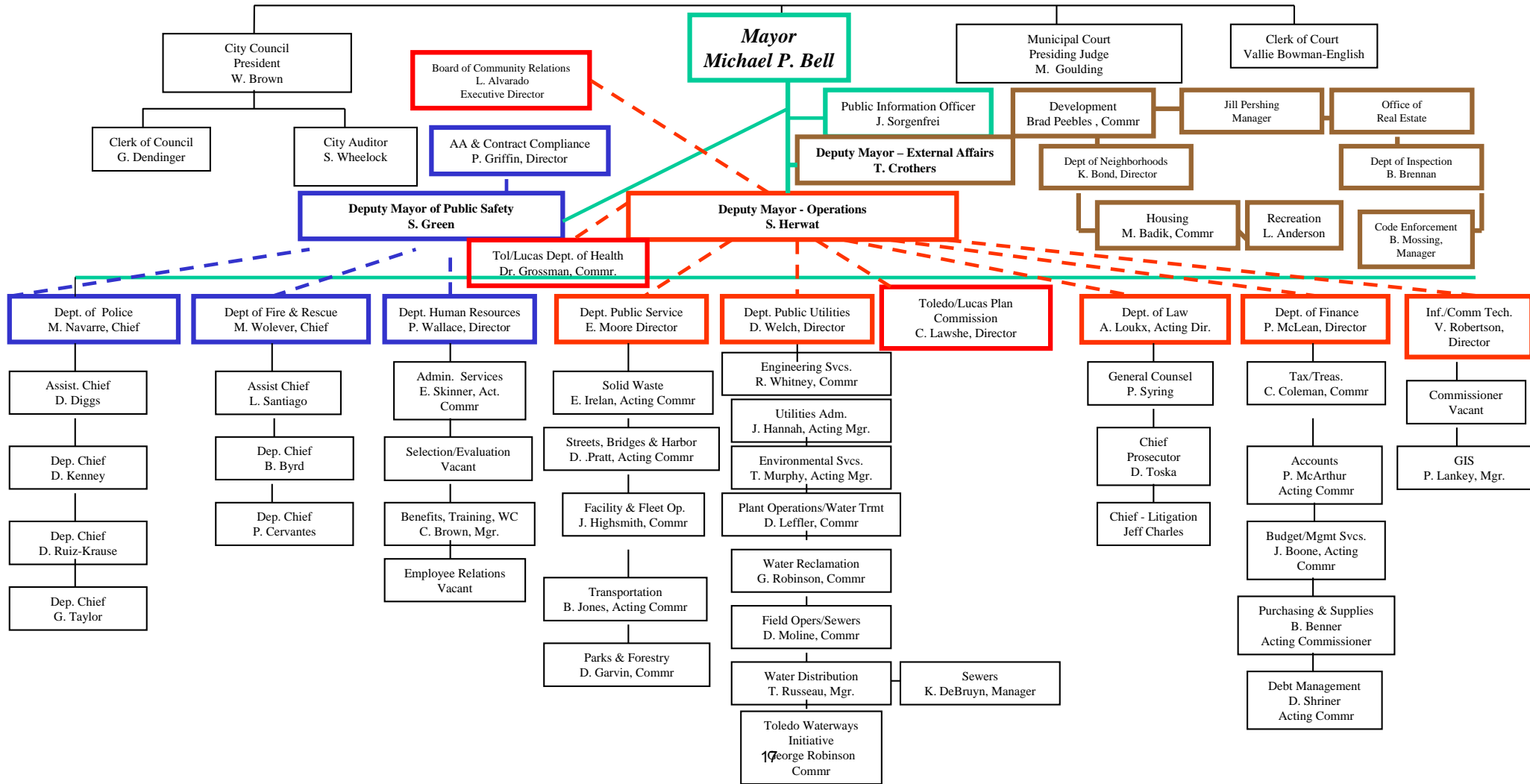
Clarence Coleman

City Auditor

D. Scott Wheelock

City of Toledo Executive Management Team

Citizens of Toledo



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 (the "City") as of and for the year ended December 31, 2011, 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, 2011, and the respective changes in financial position and where applicable cash flows 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 31, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 23 through 35 and 95 through 98, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 31, 2012

City of Toledo, Ohio
Management's Discussion and Analysis
For the year ended December 31, 2011

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, 2011. 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 2011 are as follow:

- The assets of the City exceeded its liabilities at the close of 2011 by \$864.2 million. Of this amount \$17.3 million is considered unrestricted. The unrestricted net assets of the City's business-type activities are \$10.2 million 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 \$7.1 million.
- The City's total net assets increased \$15.8 million in 2011. Net assets of the governmental activities increased \$22.8 million, which represents a 5.4 percent increase from 2010. Net assets of the business-type activities decreased \$7.0 million or 1.6 percent from 2010.
- The total cost of the City's programs increased \$8.9 million or 2.1 percent. The cost of governmental activities decreased \$4.4 million or 1.4 percent, while the cost of business-type activities increased \$13.4 million or 11.6 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$14.5 million. The combined fund balance of the governmental funds increased \$25.1 million from the prior year's ending fund balance.

Overview of the Financial Statements

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

Government-wide financial statements

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

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, 2011

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 38 and 39 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 40 through 43 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, Toledo Public Power and Erie Street market. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions including, municipal garage, capital replacement, facility operations, storeroom and printshop, 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, sanitary sewer operations, and utility administration all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, 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 44 through 46 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 47 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 50 through 90 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 95 through 98 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 101 through 130 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, 2011 compared to December 31, 2010.

	Net Assets					
	(amounts expressed in thousands)					
	Governmental activities		Business type activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	\$ 228,672	\$ 216,516	\$ 94,687	\$ 102,759	\$ 323,359	\$ 319,275
Capital assets	533,468	551,203	723,399	715,715	\$ 1,256,867	1,266,918
Total assets	<u>762,140</u>	<u>767,719</u>	<u>818,086</u>	<u>818,474</u>	<u>1,580,226</u>	<u>1,586,193</u>
Liabilities						
Long-term liabilities outstanding	193,181	226,423	356,366	344,778	\$ 549,547	571,201
Other liabilities	124,431	119,519	42,046	47,100	\$ 166,477	166,619
Total liabilities	<u>317,612</u>	<u>345,942</u>	<u>398,412</u>	<u>391,878</u>	<u>716,024</u>	<u>737,820</u>
Net Assets						
Invested in capital assets, net of related debt	330,332	343,145	379,314	388,160	\$ 709,646	731,305
Restricted	107,111	73,630	30,109	31,760	\$ 137,220	105,390
Unrestricted	7,085	5,002	10,251	6,676	\$ 17,336	11,678
Total net assets	<u>\$ 444,528</u>	<u>\$ 421,777</u>	<u>\$ 419,674</u>	<u>\$ 426,596</u>	<u>864,202</u>	<u>848,373</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 \$864.2 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (82.1 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 (15.9 percent) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets (2.0 percent) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$17.3 million; the unrestricted net assets of the City's business-type activities (\$10.2 million) may not be used to fund governmental activities.

As of the end of the current fiscal year, the city has unrestricted net assets related to government type activities of \$7.1 million.

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Overall net assets of the city increased \$15.8 million in 2011. Net assets for governmental activities increased \$22.8 million, while net assets of business-type activities decreased \$7.0 million. The City continues efforts to monitor operating costs while paying down debt. In 2011, a major contributor to the change in governmental net assets was due to the reduction in compensated absences, totaling \$10.6 million. Passage of Senate Bill 5 caused employees to redeem their accumulated compensated absences to avoid any significant losses.

The decrease in net assets for business-type activities was the result of the increased costs associated with maintaining infrastructure and related additional labor. Revenues have increased \$8.1 million or 6.2 percent when compared to 2010, due to rate increases in the water, sanitary sewer, and storm water. Total expenses increased by \$13.4 million or 11.6 percent, due to increasing labor costs as the age of infrastructure and number of customers continues to increase.

The table below provides a summary of the change in net assets for 2011 compared to 2010.

	Governmental activities		Business type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services and sales	\$ 99,428	\$ 99,131	\$ 134,452	\$ 123,651	\$ 233,880	\$ 222,782
Operating grants	34,731	12,675	-	-	34,731	12,675
Capital grants	4,509	33,739	2,709	5,423	7,218	39,162
Total program revenues	138,668	145,545	137,161	129,074	275,829	274,619
General revenue:						
Income taxes	152,864	146,886	-	-	152,864	146,886
Property taxes	12,168	12,465	-	-	12,168	12,465
Investment earnings	856	1,605	1,092	781	1,948	2,386
Other	7,895	4,572	-	(6)	7,895	4,566
Total general revenues	173,783	165,528	1,092	775	174,875	166,303
Total revenues	312,451	311,073	138,253	129,849	450,704	440,922
Expenses						
General government	21,651	25,421	-	-	21,651	25,421
Public service	48,606	54,469	-	-	48,606	54,469
Public safety	164,396	157,436	-	-	164,396	157,436
Public utilities	492	2	-	-	492	2
Community environment	27,058	32,543	-	-	27,058	32,543
Health	18,012	16,966	-	-	18,012	16,966
Parks and recreation	5,396	6,139	-	-	5,396	6,139
Interest on fiscal charges	14,332	12,060	-	-	14,332	12,060
Water	-	-	41,186	39,138	41,186	39,138
Sewer	-	-	64,756	56,888	64,756	56,888
Other	-	-	22,397	18,721	22,397	18,721
Total expenses	299,944	305,036	128,339	114,747	428,283	419,783
Increase (decrease) in net assets before transfers	12,507	6,037	9,914	15,102	22,421	21,139
Transfers	10,244	534	(10,244)	(534)	-	-
Sale of capital assets	-	-	237	-	237	-
Special item-(loss) on sale of parking capital assets	-	-	(6,899)	-	(6,899)	-
Change in net assets	22,751	6,571	(6,992)	14,568	15,759	21,139
Net assets - beginning	421,777	415,206	426,666	412,028	848,443	827,234
Net assets - ending	\$ 444,528	\$ 421,777	\$ 419,674	\$ 426,596	\$ 864,202	\$ 848,373

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Governmental activities: Governmental activities increased the City's net assets by \$22.8 million. Key elements of the changes in net assets are as follows:

- Income tax revenue, which represents 50.0 percent of the City's governmental revenue, increased by \$6.0 million or 4.0 percent on a full accrual basis. The increase in revenue is related to the improvement in the manufacturing sector over the prior year. In addition, the city experienced a one time increase in stock options exercised of \$3.2 million in a local company.
- Operating and capital grants revenue decreased by \$6.3 million, due to decreased federal funding from ARRA for program administered by the Department of Neighborhoods as projects are being phased out.
- Governmental activities expenses decreased \$4.4 million or 1.4 percent in 2011. The following areas were driving factors; General government decreased \$3.8 million or 14.8 percent, Public services decreased \$5.2 million or 9.5 percent, Public safety increased \$7.0 million or 4.4 percent as compensated absences related expenses increased significantly as State House bill 5 played out in the public as well as contractual overtime pay out moved from 2010 into 2011 by \$2.3 million, Community environment decreased \$5.5 million or 16.9 percent as federal funding from ARRA has reduced.

Business-type activities: Business-type activity net assets decreased \$7.0 million. Key elements of the changes in net assets are as follows:

- Charges for services increased \$10.8 million or 8.7 percent in 2011, due to an increase in the water and sewer rates and consumer consumption.
- The City received capital grants of \$2.7 million in 2011, as compared to \$5.4 million in 2010, a decrease of \$2.7 million or 50 percent. This decrease was due to the reduction in the American Recovery and Reinvestment Act (ARRA) program through Ohio Water and Development Authority.
- Expenses increased \$13.4 million or 11.6 percent in 2011, due to labor costs and repairs to infrastructure having increased.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2011, the City's governmental funds reported combined ending fund balance of \$14.5 million, an increase of \$25.1 million in comparison with the prior year. There is an *unassigned fund deficit* of \$60.9 million. The *nonspendable fund balance* of \$3.6 million represents the city's investment in inventory. The \$59.3 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation.

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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 3 and 4 on pages 175 through 176.

General Fund: The general fund is the chief operating fund of the City. At December 31, 2011, total fund balance of the general fund was a balance of \$326 thousand. The fund balance of the City's general fund increased \$14.0 million during 2011. The general fund's sale of capital assets totaling \$12.1 million is a primary driver in the increase of the fund balance. The sale of capital assets included refuse trucks at \$8.0 million and land at \$4.1 million, and related closure of the parking enterprise fund resulting in a \$9.3 million transfer in the general fund. The 2011 general fund balance includes one time events totaling \$21.4 million as the City pulls into the black, and allocates \$326 thousand to the budget stabilization fund.

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, 2011, total fund balance of the capital improvement funds was \$35.7 million. The fund balance of the capital improvements fund decreased \$3.0 million during 2011.

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, 2011, total fund balance of the special assessment services funds was a deficit of \$51.3 million. The fund balance deficit of the special assessments services fund decreased by \$1.8 million during 2011.

Proprietary Funds

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

The City operates three major enterprise activities: Water, Sewer and Utility Administration. The city also operates eight nonmajor enterprise activities: storm water, 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 \$149.5 million of which \$18.9 is unrestricted. Net assets in the water fund increased \$ 2.5 million in 2011. Operating revenues for fiscal year 2011 increased by \$763 thousand or 1.8 percent over comparable revenue in 2010, due to increased consumer consumption and a rate increase as part of the council approved four year rate plan. Operating expenses for fiscal year 2011 increased \$4.5 million or 13.7 percent over comparable expenses in 2010.

Sewer: Total net assets of the sewer fund at the end of the year amounted to \$240.3 million of which \$466 thousand is unrestricted. Net assets in the sewer fund increased \$3.1 million or 1.3 percent. Operating revenues for fiscal year 2011 increased by \$8.3 million or 14.4 percent over comparable revenue in 2010, 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 2011 increased \$7.0 million or 14.2 percent over comparable expenses in 2010, due to an increase in volume and associated costs of production and increased

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maintenance costs on aging infrastructure. This fund also received revenue from capital grants in 2011 of \$2.2 million for the construction projects related to the sewer facilities.

Utility Administration Services: Total net assets of the utility administration services fund at the end of the year amounted to \$1.2 million of which \$1.0 million is unrestricted. Net assets of this fund increased by \$1.0 million. Operating revenues for fiscal year 2011 increased by \$1.3 million or 12.4 percent. Operating expenses for fiscal year 2011 increased by \$775 thousand or 7.9 percent.

Nonmajor: Total net assets of the nonmajor enterprise funds at the end of the year amounted to \$28.7 million. Net assets in the nonmajor enterprise funds decreased \$13.5 million. Operating revenues for fiscal year 2011 decreased by \$9.5 million or 40.0 percent over comparable revenue in 2010, partially due to decreased consumer consumption. Operating expenses for fiscal year 2011 decreased \$7.3 million or 41.5 percent over comparable expenses in 2010. These funds also received revenue from capital grants in 2011 of \$247 thousand 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 2011 final general fund total revenue budget was \$216.7 million as compared to the original budget of \$216.7 million.

The following schedule is a summary of General Fund revenues for 2011 over comparable revenue for 2010:

Revenues and Other Financing Sources
 (amount expressed in thousands)

	2011	% of Total	Increase (decrease) from 2010	% change from 2010
Income taxes	\$ 153,581	61.3%	\$ 9,000	6.2
Property taxes	11,845	4.7%	(91)	(0.8)
Licenses and permits	2,297	0.9%	(62)	(2.6)
Intergovernmental services	22,743	9.1%	(1,375)	(5.7)
Charges for services	24,905	9.9%	2,899	13.2
Investment earnings	446	0.2%	(570)	(56.1)
Fines and forfeitures	4,681	1.9%	195	4.3
Other revenue	579	0.2%	(395)	(40.6)
Other financing sources	12,129	4.8%	12,074	21,952.7
Transfers in	17,327	6.9%	5,320	44.3
Total	<u>\$ 250,533</u>	<u>100.00%</u>	<u>\$ 26,995</u>	<u>12.1</u>

Key elements of the changes in revenues are as follows:

- Municipal income tax revenue increased 6.2 percent over comparable revenue from 2010. The increase is attributable to individual income showed a moderate improvement compared to 2010 but is still significantly lower when compared to the economy levels of 2008.

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- Property tax revenue decreased .8 percent over comparable revenue from 2010. The decrease is attributable primarily to lower collections resulting from a depressed housing market and the phase out of the tangible personal property tax.
- Investments earnings decreased 56.1 percent over comparable revenue from 2010. The decrease is a direct result of the fluctuation and downward trend in interest rates.
- Other revenue decreased 40.6 percent over comparable revenue from 2010. The decrease is attributable primarily to the six year renewal of the First Energy electric aggregation contract received in 2010.
- Other financing sources increased 21.9 thousand percent over comparable revenue from 2010. The increase is attributable mainly to the City issued Build America Bonds in 2010 to purchase motor vehicles and equipment but did not issue any additional debt in 2011.
- Transfers in increased 44.2 percent over comparable transfers from 2010. 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 2011 final general fund total expense budget was \$199.8 million as compared to the original budget of \$195.3 million, which was an increase of \$4.5 million mainly due to a \$4.0 million increase for contractual services in refuse collection in the health department. The City outsourced the refuse collection but did not appropriate payments for vendor. The 2011 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 2011 over comparable revenue for 2010:

Expenditures and Other Uses
(amount expressed in thousands)

	2011	% of Total	Increase (decrease) from 2010	% change from 2010
General government	\$ 15,437	6.5%	\$ 345	2.3%
Public service	1,693	0.7%	183	12.1%
Public safety	165,835	70.1%	12,476	8.1%
Community environment	4,406	1.9%	477	12.1%
Health	11,972	5.1%	1,001	9.1%
Parks and recreation	2,296	1.0%	196	9.3%
Capital outlay	128	0.0%	(2,203)	-94.5%
Principal retirement	485	0.2%	(1,130)	-70.0%
Interest and fiscal charges	241	0.2%	(467)	-66.0%
Transfers out	34,026	14.3%	1,478	4.5%
Total	\$ 236,519	100.0%	\$ 12,356	5.5%

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Key elements of the changes in expenses are as follows:

- Health increased 9.1 percent over comparable expenses from 2010. The increase is attributable primarily to land fill operations, such as treatment of water runoff, maintenance of equipment, and monitoring gas wells.
- Capital outlay decreased 94.5 percent over comparable expenses from 2010. The decrease is attributable primarily to the Build America Bonds that were issued in 2010 to fund the purchase of motor vehicle and equipment.

General Fund Equity: The total fund equity in the general fund was a surplus of \$326 thousand of which \$712 thousand is considered nonspendable because the City holds inventory, \$5.4 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 (\$5.8) million is considered a deficit having nothing available to spend.

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 2011, 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 as of December 31, 2011 amounts to \$326 thousand.

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for governmental and business-type activities as of December 31, 2011, 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 decrease in the City's investment in capital assets for 2011 was slightly less than 1 percent.

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

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 20,905	\$ 24,975	\$ 315	\$ 10,874	\$ 21,220	\$ 35,849
Construction in progress	58,809	35,839	120,067	64,993	\$ 178,876	\$ 100,832
Building and improvements	36,809	38,236	25,859	23,787	\$ 62,668	\$ 62,023
Improvements other than buildings	43,085	45,879	49,635	29,565	\$ 92,720	\$ 75,444
Machinery and equipment	42,399	51,782	52,072	46,105	\$ 94,471	\$ 97,887
Infrastructure	331,461	354,492	475,451	540,391	\$ 806,912	\$ 894,883
Total	\$ 533,468	\$ 551,203	\$ 723,399	\$ 715,715	\$ 1,256,867	\$ 1,266,918

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Major capital asset events during 2011 included the following:

- Total capital assets, net of accumulated depreciation, decreased \$ 10.0 million.
- Business-type activity capital assets increased by \$7.7 million, net of \$24.9 million in current year depreciation expense.
- Governmental activity capital assets decreased by \$17.7 million, net of \$31.9 million in current year depreciation expense.

Additional information on the City's capital assets can be found in Note 6 on pages 69 through 71 of this report.

Long-term debt: At December 31, 2011, the City had \$510 million of long-term bonds, notes, loans, and other obligations outstanding net of unamortized premiums and discounts in governmental and business-type activities. All assessment bonds issued by the City are general obligation bonds and notes. There were \$125 thousand in assessment bonds and \$40 million in assessment notes, all related to governmental activities, outstanding at December 31, 2011. 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	
	2011	2010	2011	2010	2011	2010
General obligation bonds and notes	\$ 115,609	\$ 130,166	\$ 21,021	\$ 23,449	\$ 136,630	\$ 153,615
Revenue bonds and notes	39,960	41,060	95,957	103,841	135,917	144,901
Loans outstanding	44,801	47,990	252,421	226,580	297,222	274,570
Capital lease obligations	3,213	4,726	1,286	6,628	4,499	11,354
Other obligations	44,980	57,398	8,284	6,662	53,264	62,964
Total	\$ 248,563	\$ 281,340	\$ 378,969	\$ 367,160	\$ 627,532	\$ 647,404

Total long-term bonds and loan outstanding at December 31, 2011 decreased \$19.9 million or 0.7 percent as compared to the amount outstanding at December 31, 2010.

On December 31 2011, 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.

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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, 2011, 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%	\$	394,075	\$	138,879	\$	255,196
5.50%	\$	206,420	\$	138,879	\$	67,541

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, 2011, 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 7.5933 mills down 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 8 on pages 73 through 77 of this report.

Economic Factors and 2012 Budgets and Rates

The City of Toledo’s elected and appointed officials considered many factors when setting the fiscal 2012 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 6.2 percent during 2011. On a cash basis income tax revenues through June 30, 2012 have increased approximately 11.9 percent compared with the same period in 2011, 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 2012 is \$ 237.2 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the year ended December 31, 2011

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, 2011
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with treasurer	\$ 17,785	\$ 237	\$ 18,022
Cash and cash equivalents held by escrow agent	267	6,839	7,106
Cash and cash equivalents other	10	10	20
Investments	30,215	68,725	98,940
Restricted investments	11,833	15,004	26,837
Receivables (net of allowance)	112,219	32,166	144,385
Due from other governments	15,412	4	15,416
Internal balances	36,285	(36,285)	-
Prepaid items	104	-	104
Inventory	4,542	5,418	9,960
Deferred charges and other	-	2,569	2,569
Capital assets:			
Land and construction in progress	79,714	120,382	200,096
Other capital assets, net of accumulated depreciation	453,754	603,017	1,056,771
Total assets	<u>762,140</u>	<u>818,086</u>	<u>1,580,226</u>
LIABILITIES			
Accounts payable	11,869	3,000	14,869
Customer deposits	2,533	8,603	11,136
Accrued wages and benefits	12,881	874	13,755
Accrued interest payable	1,300	4,439	5,739
Retainages	603	2,366	2,969
Due to other governments	-	161	161
Unearned revenue	18,216	-	18,216
Other current liabilities	21,647	-	21,647
Current portion of long-term liabilities:			
Compensated absences	836	245	1,081
Bonds, notes, loans and other obligations	54,546	22,358	76,904
Long-term liabilities:			
Compensated absences	30,092	8,039	38,131
Bonds, notes, loans and other obligations	163,089	348,327	511,416
Total liabilities	<u>317,612</u>	<u>398,412</u>	<u>716,024</u>
NET ASSETS			
Invested in capital assets, net of related debt	330,332	379,314	709,646
Restricted for:			
Special assessments	238	-	238
Debt service	-	19,774	19,774
Capital projects	54,266	10,335	64,601
Other purposes	52,607	-	52,607
Unrestricted	7,085	10,251	17,336
Total net assets	<u>\$ 444,528</u>	<u>\$ 419,674</u>	<u>\$ 864,202</u>

City of Toledo, Ohio

Statement of Activities

For the Year Ended December 31, 2011 (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	\$ 21,651	41,828	\$ -	\$ -	\$ 20,177	\$ -	\$ 20,177
Public service	48,606	25,381	-	2,054	(21,171)	-	(21,171)
Public safety	164,396	12,748	4,932	-	(146,716)	-	(146,716)
Public utilities	492	-	-	-	(492)	-	(492)
Community environment	27,058	8,044	25,677	-	6,663	-	6,663
Health	18,012	11,221	3,872	2,455	(464)	-	(464)
Parks and recreation	5,396	206	250	-	(4,940)	-	(4,940)
Interest and fiscal charges	14,332	-	-	-	(14,332)	-	(14,332)
Total governmental activities	299,944	99,428	34,731	4,509	(161,276)	-	(161,276)
Business-type activities:							
Water	41,186	43,250	-	226	-	2,290	2,290
Sewer	64,756	65,608	-	2,236	-	3,088	3,088
Storm utility	8,005	10,234	-	247	-	2,476	2,476
Utilities administration	10,608	11,323	-	-	-	715	715
Parking	804	1,887	-	-	-	1,083	1,083
Property management	1,699	24	-	-	-	(1,675)	(1,675)
Small business development	101	-	-	-	-	(101)	(101)
Erie street market	143	197	-	-	-	54	54
Marina Operations	128	-	-	-	-	(128)	(128)
Toledo Public Power	14	-	-	-	-	(14)	(14)
Municipal tow lot	895	1,929	-	-	-	1,034	1,034
Total business-type activities	128,339	134,452	-	2,709	-	8,822	8,822
Total	\$ 428,283	\$ 233,880	\$ 34,731	\$ 7,218	\$ (161,276)	\$ 8,822	\$ (152,454)
General revenues:					152,864	-	152,864
					12,168	-	12,168
					856	1,092	1,948
					7,036	-	7,036
					859	237	1,096
Transfers					10,244	(10,244)	-
Total general revenues and transfers					184,027	(8,915)	175,112
Special items - (loss) on sale of parking garage						(6,899)	(6,899)
Changes in net assets					22,751	(6,992)	15,759
Net assets at the beginning of year					421,777	426,666	848,443
Net assets at the end of year					\$ 444,528	\$ 419,674	\$ 864,202

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2011
(amounts expressed in thousands)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessments Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents:					
Cash and cash equivalents with treasurer	\$ 17,785	\$ -	\$ -	\$ -	\$ 17,785
Cash and cash equivalents held by escrow agent	267	-	-	-	267
Cash and cash equivalents other	8	-	-	2	10
Investments	21,313	7,308	-	1,594	30,215
Restricted investments	5,376	5,172	384	886	11,818
Receivables (net of allowance)	52,269	6,542	51,610	1,596	112,017
Due from other:					
Funds	-	30,981	-	27,820	58,801
Governments	1,073	-	-	14,339	15,412
Inventory of supplies	712	782	1,438	623	3,555
Total assets	<u>98,803</u>	<u>50,785</u>	<u>53,432</u>	<u>46,860</u>	<u>249,880</u>
LIABILITIES					
Accounts payable	8,666	1,316	121	1,114	11,217
Deposits	238	10	140	2,145	2,533
Retainage	-	556	-	47	603
Due to other:					
Funds	46,024	-	12,697	3,649	62,370
Deferred revenue	30,804	3,481	51,569	5,747	91,601
Accrued wages and benefits	11,909	69	276	315	12,569
Compensated absences payable	836	-	-	-	836
Notes payable	-	9,675	39,960	3,975	53,610
Total liabilities	<u>98,477</u>	<u>15,107</u>	<u>104,763</u>	<u>16,992</u>	<u>235,339</u>
FUND BALANCES (DEFICIT)					
Nonspendable	712	782	1,438	623	3,555
Restricted	5,376	34,896	384	18,699	59,355
Committed	-	-	-	12,542	12,542
Assigned	-	-	-	-	-
Unassigned	(5,762)	-	(53,153)	(1,996)	(60,911)
Total fund balance (deficit)	<u>326</u>	<u>35,678</u>	<u>(51,331)</u>	<u>29,868</u>	<u>14,541</u>
Total liabilities and fund balance (deficit)	<u>\$ 98,803</u>	<u>\$ 50,785</u>	<u>\$ 53,432</u>	<u>\$ 46,860</u>	<u>\$ 249,880</u>

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

City of Toledo, Ohio

Reconciliation of the Balance Sheet to the Statement of Net Assets
 Governmental Funds
 December 31, 2011
 (amounts expressed in thousands)

Total **fund balances** for governmental funds \$ 14,541

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 516,772

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	\$ 52,685	
Income taxes	9,202	
Delinquent property taxes	2,688	
Capital grants	3,481	
Operating grants	2,078	
Reimbursements from other governments	3,251	73,385

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. 33,786

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, 2011 are as follows:

General obligation bonds	(99,829)	
Compensated absences	(30,093)	
Loans outstanding from federal agencies	(28,704)	
Loans outstanding from state agencies	(16,094)	
Accrued interest	(1,300)	
Landfill closure	(14,719)	
Capital lease for firetrucks	(1,365)	
Capital leases for ambulances	(1,140)	
Capital leases for police cars	(708)	(193,952)

Total **net assets** of governmental activities \$ 444,528

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, 2011
(amounts expressed in thousands)

	General	Capital Improvements	Special Assessment Services	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Income taxes	\$ 153,581	\$ -	\$ -	\$ -	\$ 153,581
Property taxes	11,845	-	-	-	11,845
Special assessments	-	-	25,242	449	25,691
Licenses and permits	2,297	-	-	6	2,303
Intergovernmental services	22,743	5,650	-	11,978	40,371
Charges for services	24,905	638	579	1,865	27,987
Investment earnings	446	339	10	61	856
Fines and forfeitures	4,681	-	-	1,148	5,829
Grants	-	11,745	-	34,818	46,563
Other revenue	579	83	-	4,439	5,101
Total revenues	221,077	18,455	25,831	54,764	320,127
Expenditures					
General government	15,437	-	294	192	15,923
Public service	1,693	-	24,624	10,282	36,599
Public safety	165,835	-	-	6,085	171,920
Public utilities	-	-	4	3	7
Community environment	4,406	-	-	21,402	25,808
Health	11,972	-	437	4,935	17,344
Parks and recreation	2,296	-	124	371	2,791
Capital outlay	128	20,148	15	447	20,738
Debt service:					
Principal retirement	485	5,272	-	11,929	17,686
Interest and fiscal charges	241	2,331	1,751	8,660	12,983
Total expenditures	202,493	27,751	27,249	64,306	321,799
Excess (deficiency) of revenues over expenditures	18,584	(9,296)	(1,418)	(9,542)	(1,672)
Other financing sources (uses):					
Transfers in	17,327	35,086	-	27,583	79,996
Transfers out	(34,026)	(30,711)	-	(2,567)	(67,304)
Capital lease proceeds	-	231	-	-	231
Issuance of debt	-	1,664	-	-	1,664
Premium (discount) on notes	-	55	-	34	89
Gain (loss) on sale of capital assets	12,129	-	-	-	12,129
Total other financing sources (uses)	(4,570)	6,325	-	25,050	26,805
Net change in fund balance	14,014	(2,971)	(1,418)	15,508	25,133
Fund balance (deficit) at beginning of year, restated	(13,712)	38,722	(49,544)	14,460	(10,074)
Increase (decrease) for inventory	24	(73)	(369)	(100)	(518)
Fund balance (deficit) at year end	\$ 326	\$ 35,678	\$ (51,331)	\$ 29,868	\$ 14,541

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, 2011
(amounts expressed in thousands)

Net change in **fund balances** - total governmental funds \$ 25,133

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	\$ 24,400	
Depreciation expense	(28,399)	
Gain (loss) on disposal of capital assets	<u>(11,270)</u>	(15,269)

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	(2,505)	
Income taxes	(717)	
Delinquent property taxes	323	
Capital grants	(2,811)	
Operating grants	(4,512)	
Reimbursements from other governments	<u>(248)</u>	(10,470)

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. 10,257

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. 270

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. 15,788

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. (427)

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	510	
Change in inventory	<u>(518)</u>	(8)

Changes in net assets of internal service funds reported with governmental activities. (2,523)

Changes in **net assets** of governmental activities \$ 22,751

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, 2011

(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total	
ASSETS						
Current assets:						
Cash and cash equivalents with treasurer	\$ 60	\$ 147	\$ -	\$ 30	\$ 237	\$ -
Cash and cash equivalents held by escrow agent	3,801	3,038	-	-	6,839	-
Cash and cash equivalents other	3	-	6	1	10	-
Investments	2,859	3,962	50,778	11,126	68,725	-
Restricted investments	11,364	3,101	-	539	15,004	15
Receivables (net of allowance)	7,824	13,714	3,937	6,691	32,166	202
Due from other:						
Funds	-	16,839	-	4,368	21,207	40,359
Governments	-	-	-	4	4	-
Prepaid items	-	-	-	-	-	104
Inventory of supplies	4,689	667	62	-	5,418	987
Total current assets	30,600	41,468	54,783	22,759	149,610	41,667
Noncurrent assets:						
Deferred charges and other	1,915	564	-	90	2,569	-
Capital assets:						
Land and construction in progress	33,966	81,155	-	5,261	120,382	350
Other capital assets, net of accumulated depreciation	172,331	403,735	399	26,552	603,017	16,346
Total noncurrent assets	208,212	485,454	399	31,903	725,968	16,696
Total assets	238,812	526,922	55,182	54,662	875,578	58,363
LIABILITIES						
Current liabilities:						
Accounts payable	466	2,146	52	336	3,000	652
Customer deposits	2,508	6,094	-	1	8,603	-
Retainage	141	2,187	-	38	2,366	-
Due to other:						
Funds	2,779	-	53,590	1,123	57,492	505
Governments	15	146	-	-	161	-
Other current liabilities	-	-	-	-	-	21,643
Accrued interest payable	540	3,765	-	134	4,439	-
Accrued wages and benefits	257	348	135	134	874	312
Current portion of:						
Compensated absences payable	92	127	-	26	245	-
Bonds, loans and notes payable, net	6,394	14,454	236	1,274	22,358	1,465
Total current liabilities	13,192	29,267	54,013	3,066	99,538	24,577
Noncurrent liabilities:						
Compensated absences payable	3,027	4,176	-	836	8,039	-
Bonds, loans and notes payable, net	73,118	253,180	-	22,029	348,327	-
Total noncurrent liabilities	76,145	257,356	-	22,865	356,366	-
Total liabilities	89,337	286,623	54,013	25,931	455,904	24,577
NET ASSETS						
Invested in capital assets, net of related debt	130,586	220,294	163	28,271	379,314	15,231
Restricted for debt service	-	19,539	-	235	19,774	-
Restricted for replacement	-	-	-	10,335	10,335	2,000
Restricted for improvement	-	-	-	-	-	-
Unrestricted	18,889	466	1,006	(10,110)	10,251	16,555
Total net assets	\$ 149,475	\$ 240,299	\$ 1,169	\$ 28,731	\$ 419,674	\$ 33,786

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, 2011
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total	
Operating revenues						
Charges for services	\$ 43,211	\$ 65,271	\$ 11,307	\$ 11,869	\$ 131,658	\$ 28,434
Other revenue	39	337	16	2,402	2,794	163
Total operating revenue	<u>43,250</u>	<u>65,608</u>	<u>11,323</u>	<u>14,271</u>	<u>134,452</u>	<u>28,597</u>
Operating expenses						
Personal services	13,872	18,810	6,563	4,020	43,265	7,412
Contractual services	9,930	12,989	3,144	3,661	29,724	9,089
Materials and supplies	6,172	2,862	610	607	10,251	7,286
Utilities	2,625	3,359	48	23	6,055	1,309
Depreciation	4,766	17,993	198	1,953	24,910	3,527
Total operating expenses	<u>37,365</u>	<u>56,013</u>	<u>10,563</u>	<u>10,264</u>	<u>114,205</u>	<u>28,623</u>
Operating income	5,885	9,595	760	4,007	20,247	(26)
Nonoperating revenues (expenses)						
Investment earnings	202	64	319	507	1,092	-
Intergovernmental grants	226	2,236	-	247	2,709	-
Interest expense and fiscal charges	(3,821)	(8,743)	(45)	(1,292)	(13,901)	(49)
Gain (loss) on sale of capital assets	-	-	-	(6,895)	(6,895)	-
Total nonoperating revenues (expenses)	<u>(3,393)</u>	<u>(6,443)</u>	<u>274</u>	<u>(7,433)</u>	<u>(16,995)</u>	<u>(49)</u>
Income (loss) before transfers	2,492	3,152	1,034	(3,426)	3,252	(75)
Transfers in	-	-	-	258	258	-
Transfers out	(75)	(75)	-	(10,352)	(10,502)	(2,448)
Change in net assets	<u>2,417</u>	<u>3,077</u>	<u>1,034</u>	<u>(13,520)</u>	<u>(6,992)</u>	<u>(2,523)</u>
Net assets at beginning of year	147,058	237,222	135	42,251	426,666	36,309
Net assets at end of year	<u>\$ 149,475</u>	<u>\$ 240,299</u>	<u>\$ 1,169</u>	<u>\$ 28,731</u>	<u>\$ 419,674</u>	<u>\$ 33,786</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, 2011
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Utility Administrative Services	Nonmajor	Total	
Operating activities:						
Cash received from customers	\$ 42,891	\$ 70,060	\$ 7,440	\$ 14,023	\$ 134,414	\$ 28,423
Cash paid to employees	(12,931)	(17,579)	(6,542)	(3,758)	(40,810)	(6,465)
Cash paid to suppliers	(12,434)	(25,053)	(3,894)	(3,249)	(44,630)	(17,203)
Other receipts	39	337	16	2,415	2,807	163
Net cash provided by (used by) operating activities	<u>17,565</u>	<u>27,765</u>	<u>(2,980)</u>	<u>9,431</u>	<u>51,781</u>	<u>4,918</u>
Noncapital financial activities:						
Transfers in	-	-	-	258	258	-
Transfers out	(75)	(75)	-	(10,352)	(10,502)	(2,448)
Net cash provided by (used by) noncapital financing activities	<u>(75)</u>	<u>(75)</u>	<u>-</u>	<u>(10,094)</u>	<u>(10,244)</u>	<u>(2,448)</u>
Capital and related financing activities:						
Proceeds from capital grants and contributions	226	2,236	-	247	2,709	-
Proceeds from the sales of assets	-	-	-	14,367	14,367	-
Purchases of property, plant and equipment	(8,113)	(44,996)	(70)	(4,307)	(57,486)	(1,061)
Principal payments	(6,433)	(15,090)	(534)	(7,753)	(29,810)	(2,825)
Refunding bond issued	-	-	-	-	-	-
Proceeds from the issuance of bonds, loans, and notes	-	40,011	-	-	40,011	1,465
Payment on refunded bonds	-	-	-	-	-	-
Interest and fiscal charges paid on bonds, loans and notes	(3,668)	(8,692)	(45)	(1,267)	(13,672)	(49)
Net cash provided by (used by) capital and related financing activities	<u>(17,988)</u>	<u>(26,531)</u>	<u>(649)</u>	<u>1,287</u>	<u>(43,881)</u>	<u>(2,470)</u>
Investing activities:						
Proceeds from sales and maturities of investments	36,382	23,865	151,170	(22,441)	188,976	-
Purchase of investments	(32,301)	(22,001)	(151,521)	21,277	(184,547)	-
Investment income received on investments	210	80	342	511	1,143	-
Net cash provided by (used by) investing activities	<u>4,291</u>	<u>1,944</u>	<u>(9)</u>	<u>(653)</u>	<u>5,573</u>	<u>-</u>
Decrease in cash and cash equivalents	3,793	3,103	(3,638)	(29)	3,229	-
Cash and cash equivalents at beginning of year	71	82	3,644	60	3,857	-
Cash and cash equivalents at end of year	<u>\$ 3,864</u>	<u>\$ 3,185</u>	<u>\$ 6</u>	<u>\$ 31</u>	<u>\$ 7,086</u>	<u>\$ -</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:						
Operating income (loss)	\$ 5,885	\$ 9,595	\$ 760	\$ 4,007	\$ 20,247	\$ (26)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:						
Depreciation	4,766	17,993	198	1,953	24,910	3,527
Increase (decrease) in allowance for doubtful accounts	377	1,095	-	-	1,472	(384)
Changes in assets and liabilities:						
Receivables	(697)	3,694	(3,867)	2,154	1,284	373
Due to (from) other:						
Funds	8,546	(2,043)	-	1,287	7,790	1,056
Governments	19	62	-	13	94	-
Prepaid expenses	97	-	-	-	97	(104)
Inventory of supplies	(408)	48	(9)	-	(369)	(30)
Accounts payable	(829)	(6,029)	(83)	(198)	(7,139)	(441)
Customer deposits	(919)	1,119	-	(47)	153	-
Retainage	(213)	1,000	-	38	825	-
Other current liabilities	-	-	-	(38)	(38)	262
Accrued wages and benefits	257	287	21	73	638	685
Compensated absences	684	944	-	189	1,817	-
Net cash provided by (used by) operating activities	<u>\$ 17,565</u>	<u>\$ 27,765</u>	<u>\$ (2,980)</u>	<u>\$ 9,431</u>	<u>\$ 51,781</u>	<u>\$ 4,918</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, 2011
 (amounts expressed in thousands)

	Agency Funds
ASSETS	
Cash and cash equivalents other	\$ 1,113
Receivables	2,058
Total assets	\$ 3,171
 LIABILITIES	
Accounts payable	60
Deposits	3,111
Total liabilities	\$ 3,171

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, 2011
(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 Accounting 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, 2011
(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 \$5,521 for the operation of the Commission in 2011. 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 \$30 in revenues from this agreement in 2011.

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 \$47 in revenues from the JEDD in 2011.

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 2011.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(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 2011.

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 \$140 in revenues from the JEDZ in 2011.

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 \$945 in revenues from the JEDZ in 2011.

Basis of Presentation

The City's basic Financial Statements consist of Government-Wide Statements, including a Statement of Net Assets, and Statement of Activities, as well as Fund Financial Statements which provide a more detailed level of financial information. The Government-Wide Statements report all of the assets, 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, 2011
(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 activities of the Internal Service Funds are eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are Governmental and those that are considered Business-Type Activities.

The Statement of Net 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, 2011
(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, sewer and utility administrative services.

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

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

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

Fiduciary Funds:

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

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.

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

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

Basis of Accounting

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

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

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

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

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, 2011, but which were levied to finance year 2012 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, 2011, 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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash balances of the City's funds are pooled and invested in order to provide improved cash management. Monies for all funds are maintained in this pool. All of the City's depository accounts are maintained by the General Fund and reported on the Statement of Net 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, 2011.

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 at cost in Proprietary Funds and are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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, 2011
(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 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.

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

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.

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 non-operating revenues/expenses in Proprietary Funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic Financial Statements.

Fund Balance Classifications

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

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

Estimates

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.
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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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, 2011, the carrying amount of the City's deposits was \$18,022 and the bank balance was \$20,017. Of the bank balance, the entire balance will be covered by Federal Depository Insurance until the end of 2012. The City also has uninvested cash in the amount of \$7,106 being held by a third party trustee. This amount is significantly greater than the previous year due to investments being called at the end of this year but not reinvested until 2012. The City also has petty cash funds of \$20 held by departments that are not covered by Federal Depository Insurance or collateralized.

At December 31, 2011, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$1,113 and the bank balance was \$1,512. 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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. As of December 31, 2011, the City had the following investments:

	Maturity		Total
	Within one year	More than one year but less than three years	
Federal Farm Credit Bureau	\$ -	\$ 26,567	\$ 26,567
Federal Home Loan Bank	2,001	4,508	6,509
Federal Home Loan Mortgage Corp	960	34,799	35,759
Federal National Mortgage Association	-	38,861	38,861
STAR Ohio	18,068	-	18,068
Certificates of deposit/savings	13	-	13
Total portfolio	\$ 21,042	\$ 104,735	\$ 125,777

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 years of the settlement date. The City's investment policy addresses interest risk requiring the consideration of market conditions and cash flow requirements in determining the term of the investments.

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

Credit Risk for investments is addressed by the City's investment policy requirement that all investments are authorized by 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 AA+ rating by Standard and Poor's.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

The following is the City's allocation as of December 31, 2011:

	<u>Fair Value</u>	<u>% of Total</u>
Federal Farm Credit Bureau	\$ 26,567	\$ 21
Federal Home Loan Bank	6,509	5.20
Federal Home Loan Mortgage Corp	35,759	28.40
Federal National Mortgage Association	38,861	30.90
STAROhio	18,068	14.40
Certificates of deposit/savings	<u>13</u>	<u>-</u>
Total Portfolio	<u>\$ 125,777</u>	<u>100.00</u>

NOTE 3 – RECEIVABLES

Receivables at December 31, 2011 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	\$ 45,105	\$ 19,399	\$ -	\$ -	\$ 58	\$ 64,562	\$ (12,293)	\$ 52,269
Capital improvements	-	6,411	-	-	131	6,542	-	6,542
Special assessment services	-	45	51,570	-	-	51,615	(5)	51,610
Other governmental funds	-	1,600	1,116	30,614	8	33,338	(31,742)	1,596
Total governmental funds	<u>45,105</u>	<u>27,455</u>	<u>52,686</u>	<u>30,614</u>	<u>197</u>	<u>156,057</u>	<u>(44,040)</u>	<u>112,017</u>
Business type activities:								
Water	-	10,438	-	-	31	10,469	(2,645)	7,824
Sewer	-	19,438	-	-	10	19,448	(5,734)	13,714
Utility Administrative Services	-	3,937	-	-	-	3,937	-	3,937
Other business type activities	-	2,699	-	23,317	93	26,109	(19,418)	6,691
Total business type funds	<u>-</u>	<u>36,512</u>	<u>-</u>	<u>23,317</u>	<u>134</u>	<u>59,963</u>	<u>(27,797)</u>	<u>32,166</u>
Internal service funds	<u>-</u>	<u>561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>(359)</u>	<u>202</u>
Total	<u>\$ 45,105</u>	<u>\$ 64,528</u>	<u>\$ 52,686</u>	<u>\$ 53,931</u>	<u>\$ 331</u>	<u>\$ 216,581</u>	<u>\$ (72,196)</u>	<u>\$ 144,385</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(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 required transfers to the Capital Improvements Fund for 2011 have been completed. The City's voters passed Issue 5 in May, 2010 which allows the City to use a portion of the .75% for operating expenditures rather than for capital improvements. This allows money to move from the Capital Improvements Fund to the General Fund through December 31, 2012.

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. 2011 public utility property taxes became a lien on December 31, 2010, are levied on October 1, 2011 are collected in 2012 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 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and interexchange telephone companies. Tangible personal property taxes received from telephone companies in 2011 were levied after October 1, 2010, on the value as of December 31, 2010. 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, 2011
(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 was 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 2010-2011 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, 2011 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 2011 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, 2011 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real property (other than public utility)	\$	3,687,359
Public utility real and tangible personal property	\$	118,417
Total assessed value	\$	3,805,776

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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2011, was as follows:

<i>Governmental Activities:</i>	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
<i>Capital assets not being depreciated:</i>				
Land	\$ 24,975	\$ -	\$ 4,070	\$ 20,905
Construction in progress	35,839	22,970		58,809
Total capital assets not being depreciated	60,814	22,970	4,070	79,714
<i>Capital assets being depreciated:</i>				
Buildings	65,722			65,722
Furniture & Fixtures	6,903	4		6,907
Improvements	60,666			60,666
Infrastructure	807,634			807,634
Machinery & Equipment	141,048	2,487	12,000	131,535
Total capital assets being depreciated	1,081,973	2,491	12,000	1,072,464
<i>Less: accumulated depreciation</i>				
Buildings	27,486	1,427		28,913
Furniture & Fixtures	3,460	456		3,916
Improvements	14,787	2,794		17,581
Infrastructure	453,142	23,031		476,173
Machinery & Equipment	92,709	4,218	4,800	92,127
Total accumulated depreciation	591,584	31,926	4,800	618,710
Total capital assets being depreciated, net	490,389	(29,435)	7,200	453,754
Governmental type activities capital assets, net	\$ 551,203	\$ (6,465)	\$ 11,270	\$ 533,468

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 6 – CAPITAL ASSETS (continued)

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

General government	\$ 5,246
Public service	3,805
Public safety	17,410
Public utility	11
Community environment	3,415
Health	1,739
Parks and recreation	300
Total depreciation expense - governmental activities	<u>\$ 31,926</u>

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, 2011, 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 6 – CAPITAL ASSETS (continued)

Capital Asset Activity for the Business-Type Activities for the Year Ended December 31, 2011, was as follows:

<i>Business-Type Activities:</i>	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,874	\$ -	\$ 10,559	\$ 315
Construction in progress	64,993	55,074	-	120,067
Total capital assets not being depreciated	75,867	55,074	10,559	120,382
<i>Capital assets being depreciated:</i>				
Buildings	75,579	-	24,574	51,005
Improvements	72,307	-	-	72,307
Furniture and fixtures	1,971	-	-	1,971
Distribution system	787,812	-	-	787,812
Machinery and equipment	113,745	1,681	-	115,426
Total capital assets being depreciated	1,051,414	1,681	24,574	1,028,521
<i>Less: accumulated depreciation</i>				
Buildings	51,792	1,564	10,972	42,384
Improvements	42,742	2,479	-	45,221
Furniture and fixtures	1,302	140	-	1,442
Distribution system	247,421	13,135	-	260,556
Machinery and equipment	68,309	7,592	-	75,901
Total accumulated depreciation	411,566	24,910	10,972	425,504
Total capital assets being depreciated, net	639,848	(23,229)	13,602	603,017
Business-type activities capital assets, net	\$ 715,715	\$ 31,845	\$ 24,161	\$ 723,399

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

Sewer	\$ 17,993
Water	4,766
Utility Administrative Services	198
Non-major	1,953
Total depreciation expense - business-type activities	<u>\$ 24,910</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 7 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2011 and a schedule of current year activity are as follows:

	Issue	Maturity	Interest	Original	Balance	Increase	Decrease	Balance
	Date	Date	Rate (%)	Issue Amount				
Notes outstanding:								
General obligations:								
Capital projects		2012	1.75	\$ 9,675	\$ 9,675	\$ 9,675	\$ 9,675	\$ 9,675
Special assessments		2012	1.75	1,650	1,650	3,975	1,650	3,975
Internal service funds		2012	1.75	2,825	2,825	1,465	2,825	1,465
Revenue obligations:								
Assessed services 2009		2011	4.0	20,700	20,700	-	20,700	-
Assessed services 2010		2012	4.125	20,360	20,360	-	-	20,360
Assessed services 2011		2013	1.88	19,600	-	19,600	-	19,600
Total Notes Outstanding					<u>\$ 55,210</u>	<u>\$ 34,715</u>	<u>\$ 34,850</u>	<u>\$ 55,075</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 8 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2011 and a schedule of current year activity are as follows:

Government activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2011	Increase	Decrease	Balance 12/31/2011	Amount Due In One Year
General obligation bonds:									
Capital projects	Various	Various	1.5 - 6.08	\$ 189,374	\$ 110,766	\$ -	\$ 11,062	\$ 99,704	\$ 12,713
Special assessments	Various	Various	1.55 - 5.0	305	150	-	25	125	25
Loans outstanding:									
State agencies:									
State issue 2									
Capital projects	Various	Various	0		6,614	-	886	5,728	698
Ohio Water Dev Authority									
Capital projects	Various	Various	4.02 - 4.12	9,843	6,005	-	485	5,520	505
ODOD Chapter 166									
Capital projects	1998	2018	4	10,000	5,451	-	605	4,846	629
State Infrastructure Bank									
Capital projects	2009	2019	3	2,808	2,808	763	596	2,975	409
Federal agencies:									
HUD 108									
Capital projects	Various	Various	6.56 - 7.96		13,755	-	1,485	12,270	1,445
Other loans:									
Capital projects	Various	Various	0 - 6.55		13,357	901	799	13,459	858
Capital lease obligations:									
Fire trucks	2009	2013		2,923	1,782	-	567	1,215	595
Fire ambulances	2007	2012		840	364	-	176	188	187
Fire ambulances II	2010	2015	3.428	1,185	1,185	-	232	953	226
Police detective vehicles	2010	2012	3.1	2,125	1,395	-	687	708	708
Fire inspector vehicles	2011	2014	3	231		231	81	150	73
Other obligations:									
Landfill closure					14,989	-	270	14,719	-
Compensated absences					41,508	2,635	13,215	30,928	836
Total government activities					<u>\$ 220,129</u>	<u>\$ 4,530</u>	<u>\$ 31,171</u>	<u>\$ 193,488</u>	<u>\$ 19,907</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2011 for the City's Governmental Activities:

Year	General Obligation Bonds		General Obligation Notes		Revenue Obligation Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 12,738	\$ 6,931	\$ 15,115	\$ 265	\$ 20,360	\$ 840
2013	14,154	4,092	-	-	19,600	368
2014	13,899	3,445	-	-	-	-
2015	9,843	2,804	-	-	-	-
2016	9,843	2,804	-	-	-	-
2017-2021	20,582	6,126	-	-	-	-
2022-2026	16,370	2,982	-	-	-	-
2027-2031	2,400	268	-	-	-	-
Total	<u>\$ 99,829</u>	<u>\$ 29,452</u>	<u>\$ 15,115</u>	<u>\$ 265</u>	<u>\$ 39,960</u>	<u>\$ 1,208</u>

Year	State Agency Loans		Federal and Other Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 2,241	\$ 415	\$ 2,303	\$ 1,720	\$ 52,757	\$ 10,170
2013	2,233	367	2,336	1,572	38,323	6,399
2014	2,259	317	2,246	1,435	18,404	5,197
2015	2,305	264	2,371	1,248	14,519	4,316
2016	1,883	210	2,238	693	13,964	3,707
2017-2021	5,574	336	7,733	2,530	33,889	8,992
2022-2026	2,177	-	3,260	1,602	21,807	4,584
2027-2031	397	-	2,615	741	5,412	1,009
2032-2036	-	-	627	41	627	41
Total	<u>\$ 19,069</u>	<u>\$ 1,909</u>	<u>\$ 25,729</u>	<u>\$ 11,582</u>	<u>\$ 199,702</u>	<u>\$ 44,416</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 38 years. The \$14,719 reported as landfill closure and postclosure care liability at December 31, 2011 represents the cumulative amount reported to date based on the use of 57.9% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,692 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011 using the worst case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The City's Business-Type Activities Long-Term Obligations at December 31, 2011 and a schedule of current year activity are as follows:

Business-type activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2011	Increase	Decrease	Balance 12/31/2011	Amount Due In One Year
General obligation bonds:									
Tow lot	2006	2014	4.0 - 5.0	\$ 2,835	\$ 2,195	\$ -	\$ 160	\$ 2,035	\$ 160
Property management	Various	Various	4.85 - 7.0	33,230	21,254	-	2,268	18,986	843
Revenue obligation bonds:									
Water system	Various	Various	1.25 - 6.20	132,280	72,909	-	5,467	67,442	5,660
Sanitary sewer system	Various	Various	2.0 - 6.45	77,155	30,932	-	2,417	28,515	2,503
Loans outstanding:									
State agencies:									
State issue 2									
Water system	Various	Various	0	1,704	1,351	-	34	1,317	85
Sanitary sewer system	Various	Various	0	2,959	6,341	-	155	6,186	352
Storm water system	Various	Various	0	6,170	1,623	-	116	1,507	117
Ohio Water Dev Authority									
Water system	2006	2028	3.25	16,012	11,700	-	932	10,768	649
Sanitary sewer system	Various	Various	3.75 - 8.31	306,313	204,642	38,665	11,439	231,868	11,355
ODOD Chapter 166									
Property management	2000	2016	4	1,500	923	-	148	775	154
Capital lease obligations:									
Ohio Building	1997	2012	4.75	8,276	770	-	534	236	236
Parking garage	2009	2013	6.75	7,325	5,061	-	5,061	-	-
Sewer cleaners	2010	2014	4.62	1,196	797	-	797	-	-
Sewer cleaners II	2011	2015	4.99	1,346		1,346	296	1,050	244
Other obligations:									
Compensated absences					6,467	2,403	586	8,284	245
Total business-type activities					\$ 366,965	\$ 42,414	\$ 30,410	\$ 378,969	\$ 22,603

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2011 for the City's Business-Type Activities:

Year	General Obligation Bonds		Revenue Obligation Bonds		State Agency Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,003	\$ 1,051	\$ 8,163	\$ 3,854	\$ 12,712	\$ 7,669
2013	923	1,000	8,519	3,502	13,647	7,736
2014	1,008	959	8,883	3,146	14,690	7,819
2015	1,099	937	9,179	2,800	14,791	7,333
2016	1,155	914	9,519	2,458	37,799	11,795
2017-2021	7,020	3,584	20,731	8,851	75,310	28,995
2022-2026	6,315	1,557	18,562	5,022	71,360	15,840
2027-2031	2,498	137	12,401	1,101	12,112	3,946
Total	<u>\$ 21,021</u>	<u>\$ 10,139</u>	<u>\$ 95,957</u>	<u>\$ 30,734</u>	<u>\$ 252,421</u>	<u>\$ 91,133</u>

Year	Total	
	Principal	Interest
2012	\$ 21,878	\$ 12,574
2013	23,089	12,238
2014	24,581	11,924
2015	25,069	11,070
2016	48,473	15,167
2017-2021	103,061	41,430
2022-2026	96,237	22,419
2027-2031	27,011	5,184
Total	<u>\$ 369,399</u>	<u>\$ 132,006</u>

New Issues and Advanced Refunding

There were no new bonds issued in 2011.

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 \$2,975 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 \$409 principal plus interest.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

State Infrastructure Bank (continued)

Those loan payments are expected to be made from the City’s motor vehicle and fuel tax revenues. The loan agreements grant no security or property interest to ODOT in any property of the City, do not pledge the general credit of the City or create debt subject to the direct or indirect debt limitations, and do not require the application of the general resources of the City for repayment.

Ohio Public Works Commission

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

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized by the administration of the Environmental Protection Agency (EPA) to make grants to States to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2011 was \$248,156. Of this amount, \$10,768 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount \$231,868 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 \$5,520 is obligations incurred to help finance the water pollution control related to the landfill remediation projects at the Stickney/Tyler and Dura locations are to be repaid from general receipts of the City.

NOTE 9 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a 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 for the year. 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 \$1,325 in 2011.

Future minimum lease payments on the building are as follows:

Year	Amount
2012	\$ 1,524
2013	1,016
	<hr style="border-top: 1px solid black;"/>
	\$ 2,540
	<hr style="border-top: 1px solid black;"/>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Operating Leases (continued)

The City also leases various facilities and equipment under various operating leases. Rental expense relating to these leases amounts to \$903 in 2011.

Capital Leases

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

In 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 \$4,412. 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 2011.

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 was included in the capital assets as a building in the Parking Garage enterprise fund at \$7,825 less accumulated depreciation of \$3,600. The City retired the debt for this asset in December 2011 due to the sale of the Parking Garages to the Lucas County Port Authority.

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 \$2,721 at December 31, 2011.

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 \$756 at December 31, 2011.

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 \$356.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Capital Leases (continued)

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 \$638.

In 2011, the City entered into a noncancelable long-term master equipment lease with Key Government Finance, Inc. for the lease of sewer cleaners. This lease replaced an existing lease in place from 2009. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Sewer Enterprise Fund at \$1,346 less accumulated depreciation of \$136.

In 2011, the City entered into a noncancelable long-term master equipment lease with Ford Motor Credit for the lease of fire inspector vehicles. The 3 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$231 with no accumulated depreciation.

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2011 are as follows:

Year Ending December 31, 2011	Governmental Activities	Business-type Activities	Total
2012	\$ 1,919	\$ 504	\$ 2,423
2013	990	296	1,286
2014	443	296	739
2015	225	296	521
2016	-	292	292
2017-2020	-	-	-
Total minimum lease payments	3,577	1,684	5,261
Less: amount representing interest	(364)	(398)	(762)
Present value of net minimum lease payments	<u>\$ 3,213</u>	<u>\$ 1,286</u>	<u>\$ 4,499</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments

Outstanding encumbrances for the Year Ended December 31, 2011 was a follows:

<i>Governmental Activities:</i>		
Capital improvements	\$	4,005
Capital improvements - grants		5,002
Capital improvements - federal stimulus		275
 <i>Business-Type Activities:</i>		
Water - operating fund		1,620
Water - replacement fund		2,186
Sewer - operating fund		1,222
Sewer - replacement fund		59,506
Nonmajor Enterprise		751
		751
	\$	74,567

NOTE 10 - 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, 2011 the Interfund Balances consist of the following individual Interfund receivables and payables as reported on the Fund Statements:

Interfund transfers for the Year Ended December 31, 2011, consisted of the following, as reported on the Fund Statements:

	Interfund Receivables	Interfund Payables
<i>Governmental Activities:</i>		
General fund	\$ -	\$ 46,024
Capital improvement fund	30,981	-
Special assessment fund	-	12,697
Nonmajor governmental funds	27,820	3,649
Total governmental activities	58,801	62,370
 <i>Business-Types Activities:</i>		
Water	-	1,714
Sewer	15,774	-
Utility administrative services	-	53,590
Nonmajor enterprise activities	4,368	1,123
Internal service funds	40,359	505
Total business type activities	60,501	56,932
Total	\$ 119,302	\$ 119,302

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 10 - INTERFUND ACTIVITY (continued)

Transfer Out	Transfer In				Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Fund	Nonmajor Enterprise Activities	
<i>Governmental Activities:</i>					
General fund	\$ -	\$ 34,026	\$ -	\$ -	\$ 34,026
Capital improvement fund	5,576	-	25,135	-	30,711
Nonmajor governmental funds	1,399	1,060	-	108	2,567
Total governmental activities	<u>6,975</u>	<u>35,086</u>	<u>25,135</u>	<u>108</u>	<u>67,304</u>
<i>Business-Type Activities:</i>					
Water	-	-	-	75	75
Sewer	-	-	-	75	75
Nonmajor enterprises funds	10,352	-	-	-	10,352
Internal service funds	-	-	2,448	-	2,448
Total business-type activities	<u>10,352</u>	<u>-</u>	<u>2,448</u>	<u>150</u>	<u>12,950</u>
Total	<u>\$ 17,327</u>	<u>\$ 35,086</u>	<u>\$ 27,583</u>	<u>\$ 258</u>	<u>\$ 80,254</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 11 – FUND BALANCE

A summary of Fund Balances as of December 31, 2011 by category with specific purpose information follows:

	General Fund	Capital Improvements	Special Assessment Services	Nonmajor Governmental Funds	Total
<i>Fund balances:</i>					
Nonspendable:					
Inventory	\$ 712	\$ 782	\$ 1,438	\$ 623	\$ 3,555
Total nonspendable	<u>712</u>	<u>782</u>	<u>1,438</u>	<u>623</u>	<u>3,555</u>
Restricted for:					
General government	5,376	5,172	-	-	10,548
Public service	-	29,724	384	18,699	48,807
Total restricted	<u>5,376</u>	<u>34,896</u>	<u>384</u>	<u>18,699</u>	<u>59,355</u>
Committed to:					
Community environment	-	-	-	12,542	12,542
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,542</u>	<u>12,542</u>
Unassigned	(5,762)	-	(53,153)	(1,996)	(60,911)
Total fund balances	<u>\$ 326</u>	<u>\$ 35,678</u>	<u>\$ (51,331)</u>	<u>\$ 29,868</u>	<u>\$ 14,541</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 2011, 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 had a surplus of \$326 for the year.

NOTE 12 – PENSION PLANS

Ohio Public Employees Retirement System

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

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

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 12 – PENSION PLANS (continued)

Ohio Public Employees Retirement System (continued)

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 2011 member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2011, 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, 2011, 2010, and 2009 were \$12,653, \$9,924, and \$11,816, respectively, or 94.3% of the required contribution for 2011 and equal to the required contributions for 2010 and 2009. The remaining employer contributions for 2011 were paid in the first quarter 2012.

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, 2011, 2010 and 2009 approximated \$16,135, \$15,247 and \$15,738 respectively, or 67% of the required contribution for 2011 and equal to the required contributions for 2010 and 2009. The remaining employer contributions for 2011 were paid in the first quarter 2012.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 12 – 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 13 – POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

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

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 2011, 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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 13 – 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 4.0% during the calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1st, 2012 remained the same, but they are subject to change based on Board action. 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, 2011, 2010, and 2009 approximated \$5,661, \$3,603 and \$4,986 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. The authority of the OP&F Board of Trustees is to provide health care coverage to eligible participants and to establish and amend benefits 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, 2011
(amounts expressed in thousands)
(Continued)

NOTE 13 – 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, 2011, 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, 2011, 2010 and 2009 approximated \$16,135, \$15,247 and \$15,738 respectively, of which \$4,452, \$4,767 and \$4,932 respectively, was allocated to the healthcare plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 14 – 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.

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2011, the City contracted with various insurance companies to provide the following coverage:

	Coverage (in whole dollars)	Deductible (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 2011, 2010 and 2009 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2009	\$ 1,560	\$ 610	\$ 610	\$ 1,560
2010	1,560	975	975	1,560
2011	1,560	1,340	1,421	1,560

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 14 – RISK MANAGEMENT (continued)

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.

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 \$20,083 reported at December 31, 2011, 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 2011, 2010 and 2009 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2009	\$ 18,543	\$ 6,767	\$ 6,735	\$ 18,575
2010	18,575	7,678	6,922	19,331
2011	19,331	8,597	7,833	20,083

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 14 – RISK MANAGEMENT (continued)

Health Insurance

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

Changes in the funds' claim liability amount in 2011 and 2010 were:

Year	Beginning of Year	in Estimate	Payments	End of Year
2010	\$ -	\$ 16,055	\$ 14,458	\$ 1,597
2011	1,597	22,557	21,952	2,202

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2011:

<i>Governmental funds:</i>	
Special Assessment Services Fund	\$ 51,331
<i>Nonmajor Governmental Funds:</i>	
Federal Block Grants	150
Toledo Home Program	118
Special Assessment Improvements Fund	1,536
<i>Proprietary funds:</i>	
Property Management	14,582

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

NOTE 16 - 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, 2011.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(amounts expressed in thousands)
(Continued)

NOTE 16 - CONTINGENCIES (continued)

Grants

In 2011, 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 17 - SUBSEQUENT EVENTS

On May 29th of 2012 Hollywood Casino Toledo celebrated their grand opening. Hollywood Casino consists of over 1,300 employees including over 900 full-time positions. The Casino features 60 gaming tables and four restaurants within their 44 acre property. Within two months of operation the Casino has generated revenue for the City of more than \$190.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

The Block Grant Rehab cost area has been reclassified from Expendable Trusts in Governmental Nonmajor Special Revenue funds to Federal Block Grants due to the nature of the cost area’s activities.

Capital improvement fund purchased debt of the City which should have been reflected as an interfund payable in the general fund.

Property Management fund had a prior period expenditure overpaid for \$70 related to contractual services that caused the restatement.

	General Fund	Property Management	Federal Block Grant	Expendable Trusts
Fund balance, as previously reported	\$ (8,612)	\$ (13,355)	\$ (4,939)	\$ 4,950
Increases:				
reclass cost center			1,319	
Expenditure overpayment		70		
Decreases:				
reclass cost center				(1,319)
Unrecorded Debt payments	(5,100)			
Fund balance, restated	<u>\$ (13,712)</u>	<u>\$ (13,285)</u>	<u>\$ (3,620)</u>	<u>\$ 3,631</u>

City of Toledo, Ohio

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**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

General Fund and Major Special Revenue Funds

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, 2011
(amounts expressed in thousands)

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues				
Income taxes	\$ 147,987	\$ 147,987	\$ 153,581	\$ 5,594
Property taxes	15,901	15,901	11,845	(4,056)
Licenses and permits	2,609	2,609	2,297	(312)
Intergovernmental services	17,407	17,407	22,743	5,336
Charges for services	26,324	26,749	24,905	(1,844)
Investment earnings	325	325	446	121
Fines and forfeitures	4,526	4,526	4,681	155
Other revenue	1,660	1,238	579	(659)
Total revenues	<u>216,739</u>	<u>216,742</u>	<u>221,077</u>	<u>4,335</u>
Expenditures				
General government	13,972	13,863	15,437	(1,574)
Public service	1,780	1,729	1,693	36
Public safety	161,273	161,587	165,835	(4,248)
Community environment	4,655	4,991	4,406	585
Health	8,920	12,672	11,972	700
Parks and recreation	1,863	1,946	2,296	(350)
Capital outlay	5	193	128	65
Debt service:				
Principal retirement	1,560	1,560	485	1,075
Interest and fiscal charges	1,174	1,174	241	933
Total expenditures	<u>195,202</u>	<u>199,715</u>	<u>202,493</u>	<u>(2,778)</u>
Excess (deficiency) of revenues over expenditures	21,537	17,027	18,584	1,557
Other financing sources (uses):				
Transfers in	13,224	13,706	17,327	3,621
Transfers out	(33,322)	(33,322)	(34,026)	(704)
Sale of fixed assets	4,850	4,850	12,129	7,279
Total Other financing sources (uses):	<u>(15,248)</u>	<u>(14,766)</u>	<u>(4,570)</u>	<u>10,196</u>
Net change in fund balance	<u>\$ 6,289</u>	<u>\$ 2,261</u>	14,014	<u>\$ 11,753</u>
Fund balance (deficit) at beginning of year, restated			(13,712)	
Increase (decrease) in reserve for inventory			24	
Fund balance (deficit) at year end			<u>\$ 326</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 25,688	\$ 25,688	\$ 25,242	(446)
Charges for services	89	89	579	490
Investment earnings	48	48	10	(38)
Other revenue	1	1	-	(1)
Total revenues	25,826	25,826	25,831	5
Expenditures				
General government	188	188	294	(106)
Public service	29,364	29,434	24,624	4,810
Public utilities	-	-	4	(4)
Health	801	801	437	364
Parks and recreation	137	137	124	13
Capital outlay	152	131	15	116
Debt service:				
Interest and fiscal charges	1,897	1,897	1,751	146
Debt issuance costs	-	-	-	-
Total expenditures	32,539	32,588	27,249	5,339
Net change in fund balance	\$ (6,713)	\$ (6,762)	(1,418)	\$ 5,344
Fund balance (deficit) at beginning of year			(49,544)	
Increase (decrease) in reserve for inventory			(369)	
Fund balance (deficit) at year end			\$ (51,331)	

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2011

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, 2011

Annual Budget Process (continued)

Encumbrances

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

Lapsing of Appropriations

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

**SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

Other Governmental Funds

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011
(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 other	\$ 2	\$ -	\$ -	\$ -	\$ 2
Investments	1,594	-	-	-	1,594
Restricted investments	-	-	-	886	886
Receivables (net of allowance)	436	244	914	2	1,596
Due from other:					
Funds	16,719	8,275	2,809	17	27,820
Governments	14,339	-	-	-	14,339
Inventory of supplies	623	-	-	-	623
Total assets	<u>\$ 33,713</u>	<u>\$ 8,519</u>	<u>\$ 3,723</u>	<u>\$ 905</u>	<u>46,860</u>
LIABILITIES					
Accounts payable	\$ 1,114	\$ -	\$ -	\$ -	\$ 1,114
Deposits	1,569	-	365	211	2,145
Retainage	-	-	47	-	47
Due to other:					
Funds	3,649	-	-	-	3,649
Deferred revenue	4,631	244	872	-	5,747
Accrued wages and benefits	315	-	-	-	315
Notes payable	-	-	3,975	-	3,975
Total liabilities	<u>11,278</u>	<u>244</u>	<u>5,259</u>	<u>211</u>	<u>16,992</u>
FUND BALANCES (DEFICIT)					
Nonspendable	623	-	-	-	623
Restricted	17,645	168	-	886	18,699
Committed	4,435	8,107	-	-	12,542
Assigned	-	-	-	-	-
Unassigned	(268)	-	(1,536)	(192)	(1,996)
Total fund balance (deficit)	<u>22,435</u>	<u>8,275</u>	<u>(1,536)</u>	<u>694</u>	<u>29,868</u>
Total liabilities and fund balance (deficit)	<u>\$ 33,713</u>	<u>\$ 8,519</u>	<u>\$ 3,723</u>	<u>\$ 905</u>	<u>\$ 46,860</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2011
(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					
Special assessments	\$ -	\$ 63	\$ 386	\$ -	\$ 449
Licenses and permits	6	-	-	-	6
Intergovernmental services	11,978	-	-	-	11,978
Charges for services	1,865	-	-	-	1,865
Investment earnings	61	-	-	-	61
Fines and forfeitures	1,148	-	-	-	1,148
Grants	34,818	-	-	-	34,818
Other revenue	4,439	-	-	-	4,439
Total revenues	<u>54,315</u>	<u>63</u>	<u>386</u>	<u>-</u>	<u>54,764</u>
Expenditures					
General government	192	-	-	-	192
Public service	10,282	-	-	-	10,282
Public safety	6,085	-	-	-	6,085
Public utilities	3	-	-	-	3
Community environment	21,402	-	-	-	21,402
Health	4,935	-	-	-	4,935
Parks and recreation	371	-	-	-	371
Capital outlay	429	-	18	-	447
Debt service:					
Principal retirement	877	11,052	-	-	11,929
Interest and fiscal charges	34	8,597	29	-	8,660
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>44,610</u>	<u>19,649</u>	<u>47</u>	<u>-</u>	<u>64,306</u>
Excess (deficiency) of revenues over expenditures	9,705	(19,586)	339	-	(9,542)
Other financing sources (uses):					
Transfers in	-	27,583	-	-	27,583
Transfers out	(2,567)	-	-	-	(2,567)
Premium (discount) on note	-	34	-	-	34
Total other financing sources (uses)	<u>(2,567)</u>	<u>27,617</u>	<u>-</u>	<u>-</u>	<u>25,050</u>
Net change in fund balance	7,138	8,031	339	-	15,508
Fund balance (deficit) at beginning of year, restated	15,397	244	(1,875)	694	14,460
Increase (decrease) in reserve for inventory	(100)	-	-	-	(100)
Fund balance (deficit) at year end	<u>\$ 22,435</u>	<u>\$ 8,275</u>	<u>\$ (1,536)</u>	<u>\$ 694</u>	<u>\$ 29,868</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 controlled by reference to individual trust balances maintained in subsidiary records. Also, to include special revenue source reserved for Municipal Court and Demolition operations.

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

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

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

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2011
(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 other	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	13	-	-	-	-
Receivables (net of allowance)	-	-	-	-	4	-	16
Due from other:							
Funds	-	5,136	686	6,469	53	199	297
Governments	2,436	6,603	-	3,832	-	-	-
Inventory of supplies	-	-	-	623	-	-	-
Total assets	<u>\$ 2,437</u>	<u>\$ 11,739</u>	<u>\$ 699</u>	<u>\$ 10,924</u>	<u>\$ 57</u>	<u>\$ 199</u>	<u>\$ 313</u>
LIABILITIES							
Accounts payable	\$ -	\$ 887	\$ -	\$ 55	\$ -	\$ -	\$ -
Deposits	1,051	140	11	-	-	-	-
Due to other:							
Funds	790	-	-	-	-	-	-
Deferred revenue	653	1,302	-	2,553	-	-	-
Accrued wages and benefits	93	46	-	166	-	-	-
Total liabilities	<u>2,587</u>	<u>2,375</u>	<u>11</u>	<u>2,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)							
Nonspendable	-	-	-	623	-	-	-
Restricted	-	9,364	688	7,527	-	-	-
Committed	-	-	-	-	57	199	313
Assigned	-	-	-	-	-	-	-
Unassigned	(150)	-	-	-	-	-	-
Total fund balance (deficit)	<u>(150)</u>	<u>9,364</u>	<u>688</u>	<u>8,150</u>	<u>57</u>	<u>199</u>	<u>313</u>
Total liabilities and fund balance (deficit)	<u>\$ 2,437</u>	<u>\$ 11,739</u>	<u>\$ 699</u>	<u>\$ 10,924</u>	<u>\$ 57</u>	<u>\$ 199</u>	<u>\$ 313</u>

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2011
(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 other	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 2
Investments	-	-	66	1,515	-	-	1,594
Receivables (net of allowance)	2	-	409	5	-	-	436
Due from other:							
Funds	292	83	3,502	-	-	2	16,719
Governments	-	-	-	-	1,468	-	14,339
Inventory of supplies	-	-	-	-	-	-	623
Total assets	<u>\$ 294</u>	<u>\$ 84</u>	<u>\$ 3,977</u>	<u>\$ 1,520</u>	<u>\$ 1,468</u>	<u>\$ 2</u>	<u>\$ 33,713</u>
LIABILITIES							
Accounts payable	\$ -	\$ 3	\$ 143	\$ -	\$ 26	\$ -	\$ 1,114
Deposits	-	-	367	-	-	-	1,569
Due to other:							
Funds	-	-	-	1,427	1,432	-	3,649
Deferred revenue	-	-	-	-	123	-	4,631
Accrued wages and benefits	-	-	5	-	5	-	315
Total liabilities	<u>-</u>	<u>3</u>	<u>515</u>	<u>1,427</u>	<u>1,586</u>	<u>-</u>	<u>11,278</u>
FUND BALANCES (DEFICIT)							
Nonspendable	-	-	-	-	-	-	623
Restricted	-	-	66	-	-	-	17,645
Committed	294	81	3,396	93	-	2	4,435
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(118)	-	(268)
Total fund balance (deficit)	<u>294</u>	<u>81</u>	<u>3,462</u>	<u>93</u>	<u>(118)</u>	<u>2</u>	<u>22,435</u>
Total liabilities and fund balance (deficit)	<u>\$ 294</u>	<u>\$ 84</u>	<u>\$ 3,977</u>	<u>\$ 1,520</u>	<u>\$ 1,468</u>	<u>\$ 2</u>	<u>\$ 33,713</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2011
(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							
Licenses and permits	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -
Intergovernmental services	-	-	-	11,978	-	-	-
Charges for services	-	43	-	6	-	246	-
Investment earnings	9	-	-	-	9	-	-
Fines and forfeitures	-	101	-	2	-	-	-
Grants	13,064	18,280	-	-	-	-	-
All other revenue	2,646	10	-	80	-	-	25
Total revenues	15,719	18,434	-	12,071	9	246	25
Expenditures							
General government	-	-	-	186	-	-	-
Public service	-	-	-	10,282	-	-	-
Public safety	-	4,733	-	80	-	-	-
Public utilities	-	-	-	3	-	-	-
Community environment	12,095	4,979	-	13	-	-	-
Health	-	4,565	-	-	1	-	-
Parks and recreation	-	209	-	-	-	-	-
Capital outlay	-	199	-	-	-	-	-
Debt service:							
Principal retirement	125	-	-	-	-	-	-
Interest and fiscal charges	22	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-
Total expenditures	12,242	14,685	-	10,564	1	-	-
Excess (deficiency) of revenues over expenditures	3,477	3,749	-	1,507	8	246	25
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	(7)	(7)	-	(1,339)	-	(246)	-
Total other financing sources (uses)	(7)	(7)	-	(1,339)	-	(246)	-
Net change in fund balance	3,470	3,742	-	168	8	-	25
Fund balance (deficit) at beginning of year, restated	(3,620)	5,622	688	8,082	49	199	288
Increase (decrease) in reserve for inventory	-	-	-	(100)	-	-	-
Fund balance (deficit) at year end	\$ (150)	\$ 9,364	\$ 688	\$ 8,150	\$ 57	\$ 199	\$ 313

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2011
(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							
Licenses and permits	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 6
Intergovernmental services	-	-	-	-	-	-	11,978
Charges for services	47	72	1,443	8	-	-	1,865
Investment earnings	-	-	7	36	-	-	61
Fines and forfeitures	-	-	1,045	-	-	-	1,148
Grants	-	-	19	-	3,455	-	34,818
All other revenue	-	-	1,678	-	-	-	4,439
Total revenues	47	72	4,193	44	3,455	-	54,315
Expenditures							
General government	-	-	6	-	-	-	192
Public service	-	-	-	-	-	-	10,282
Public safety	-	-	1,272	-	-	-	6,085
Public utilities	-	-	-	-	-	-	3
Community environment	-	-	1,592	-	2,723	-	21,402
Health	-	-	369	-	-	-	4,935
Parks and recreation	-	33	129	-	-	-	371
Capital outlay	-	-	230	-	-	-	429
Debt service:							
Principal retirement	-	-	752	-	-	-	877
Interest and fiscal charges	-	-	12	-	-	-	34
Debt issuance costs	-	-	-	-	-	-	-
Total expenditures	-	33	4,362	-	2,723	-	44,610
Excess (deficiency) of revenues over expenditures	47	39	(169)	44	732	-	9,705
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(968)	-	-	(2,567)
Total other financing sources (uses)	-	-	-	(968)	-	-	(2,567)
Net change in fund balance	47	39	(169)	(924)	732	-	7,138
Fund balance (deficit) at beginning of year, restated	247	42	3,631	1,017	(850)	2	15,397
Increase in reserve for inventory	-	-	-	-	-	-	(100)
Fund balance (deficit) at year end	\$ 294	\$ 81	\$ 3,462	\$ 93	\$ (118)	\$ 2	\$ 22,435

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, 2011
(amounts expressed in thousands)

	General Obligation	Special Assessment	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)	-	244	244
Due from other:			
Funds	8,107	168	8,275
Governments	-	-	-
Inventory of supplies	-	-	-
Total assets	<u><u>\$ 8,107</u></u>	<u><u>\$ 412</u></u>	<u><u>\$ 8,519</u></u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Deposits	-	-	-
Retainage	-	-	-
Due to other:			
Funds	-	-	-
Governments	-	-	-
Deferred revenue	-	244	244
Accrued wages and benefits	-	-	-
Compensated absences payable	-	-	-
Notes payable	-	-	-
Total liabilities	<u><u>-</u></u>	<u><u>244</u></u>	<u><u>244</u></u>
FUND BALANCES (DEFICIT)			
Nonspendable	-	-	-
Restricted	-	168	168
Committed	8,107	-	8,107
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance (deficit)	<u><u>8,107</u></u>	<u><u>168</u></u>	<u><u>8,275</u></u>
Total liabilities and fund balance (deficit)	<u><u>\$ 8,107</u></u>	<u><u>\$ 412</u></u>	<u><u>\$ 8,519</u></u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	General Obligation	Special Assessment	Total Debt service Funds
Revenues			
Income taxes	\$ -	\$ -	-
Property taxes	-	-	-
Special assessments	-	63	63
Licenses and permits	-	-	-
Intergovernmental services	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Fines and forfeitures	-	-	-
Grants	-	-	-
Other revenue	-	-	-
Total revenues	-	63	63
Expenditures			
General government	-	-	-
Public service	-	-	-
Public safety	-	-	-
Public utilities	-	-	-
Community environment	-	-	-
Health	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	11,027	25	11,052
Interest and fiscal charges	8,591	6	8,597
Debt issuance costs	-	-	-
Total expenditures	19,618	31	19,649
Excess (deficiency) of revenues over expenditures	(19,618)	32	(19,586)
Other financing sources (uses):			
Transfers in	27,583	-	27,583
Transfers out	-	-	-
Note proceeds	-	-	-
Sale of fixed assets	-	-	-
Bond proceeds	-	-	-
Premium (discount) on bond	34	-	34
Other revenue (expenses)	-	-	-
Total other financing sources (uses)	27,617	-	27,617
Net change in fund balance	7,999	32	8,031
Fund balance (deficit) at beginning of year	108	136	244
Increase (decrease) in reserve for inventory	-	-	-
Fund balance (deficit) at year end	\$ 8,107	\$ 168	\$ 8,275

City of Toledo, Ohio

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City of Toledo, Ohio

Nonmajor Capital Projects Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Fund
December 31, 2011
(amounts expressed in thousands)

	<u>Special Assessment Improvements</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	-
Investments	-
Restricted investments	-
Receivables (net of allowance)	914
Due from other:	
Funds	2,809
Governments	-
Inventory of supplies	-
Total assets	<u><u>3,723</u></u>
LIABILITIES	
Accounts payable	-
Deposits	365
Retainage	47
Due to other:	
Funds	
Governments	-
Deferred revenue	872
Accrued wages and benefits	-
Compensated absences payable	-
Notes payable	3,975
Total liabilities	<u><u>5,259</u></u>
FUND BALANCES (DEFICIT)	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	(1,536)
Total fund balance (deficit)	<u><u>(1,536)</u></u>
Total liabilities and fund balance (deficit)	<u><u>\$ 3,723</u></u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Capital Projects Fund
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	Special Assessment Improvements
Revenues	
Special assessments	\$ 386
Licenses and permits	-
Intergovernmental services	-
Charges for services	-
Investment earnings	-
Fines and forfeitures	-
Grants	-
Other revenue	-
Total revenues	386
Expenditures	
General government	-
Public service	-
Public safety	-
Public utilities	-
Community environment	-
Health	-
Parks and recreation	-
Capital outlay	18
Debt service:	
Principal retirement	-
Interest and fiscal charges	29
Debt issuance costs	-
Total expenditures	47
Excess (deficiency) of revenues over expenditures	339
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	339
Fund balance (deficit) at beginning of year	(1,875)
Increase (decrease) in reserve for inventory	-
Fund balance (deficit) at year end	\$ (1,536)

City of Toledo, Ohio

Nonmajor Permanent Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2011
(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		886
Receivables (net of allowance)		2
Due from other:		
Funds		17
Governments		-
Inventory of supplies		-
Total assets	\$	905
LIABILITIES		
Accounts payable	\$	-
Deposits		211
Retainage		-
Due to other:		
Funds		-
Governments		-
Deferred revenue		-
Accrued wages and benefits		-
Compensated absences payable		-
Notes payable		-
Total liabilities		211
FUND BALANCES (DEFICIT)		
Nonspendable		886
Restricted		-
Committed		-
Assigned		-
Unassigned		(192)
Total fund balance (deficit)		694
Total liabilities and fund balance (deficit)	\$	905

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Permanent Fund
For the Year Ended December 31, 2011
(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 capital 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.

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, 2011
(amounts expressed in thousands)

	<u>Storm Sewer</u>	<u>Parking</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>	<u>Marina Operations Fund</u>	<u>Erie St Market</u>	<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise</u>
ASSETS									
Current assets:									
Cash and cash equivalents with treasurer	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
Cash and cash equivalents other	-	-	-	-	-	-	1	-	1
Investments	11,110	-	-	16	-	-	-	-	11,126
Restricted investments	-	-	539	-	-	-	-	-	539
Receivables (net of allowance)	673	-	5,799	-	216	-	3	-	6,691
Due from other:									
Funds	3,801	-	-	248	157	-	86	76	4,368
Governments	4	-	-	-	-	-	-	-	4
Total current assets	<u>15,618</u>	<u>-</u>	<u>6,338</u>	<u>264</u>	<u>373</u>	<u>-</u>	<u>90</u>	<u>76</u>	<u>22,759</u>
Noncurrent assets:									
Deferred charges and other	-	-	90	-	-	-	-	-	90
Capital assets:									
Land and construction in progress	4,345	-	-	219	697	-	-	-	5,261
Other capital assets, net of accumulated depreciation	25,154	-	-	414	974	-	-	10	26,552
Total noncurrent assets	<u>29,499</u>	<u>-</u>	<u>90</u>	<u>633</u>	<u>1,671</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>31,903</u>
Total assets	<u>45,117</u>	<u>-</u>	<u>6,428</u>	<u>897</u>	<u>2,044</u>	<u>-</u>	<u>90</u>	<u>86</u>	<u>54,662</u>
LIABILITIES									
Current liabilities:									
Accounts payable	37	-	-	298	1	-	-	-	336
Customer deposits	1	-	-	-	-	-	-	-	1
Retainage	38	-	-	-	-	-	-	-	38
Due to other:									
Funds	-	-	1,123	-	-	-	-	-	1,123
Accrued interest payable	-	-	126	-	8	-	-	-	134
Accrued wages and benefits	133	-	-	1	-	-	-	-	134
Current portion of:									
Compensated absences payable	26	-	-	-	-	-	-	-	26
Bonds, loans and notes payable, net	117	-	997	-	160	-	-	-	1,274
Total current liabilities	<u>352</u>	<u>-</u>	<u>2,246</u>	<u>299</u>	<u>169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,066</u>
Noncurrent liabilities:									
Compensated absences payable	836	-	-	-	-	-	-	-	836
Bonds, loans and notes payable, net	1,390	-	18,764	-	1,875	-	-	-	22,029
Total noncurrent liabilities	<u>2,226</u>	<u>-</u>	<u>18,764</u>	<u>-</u>	<u>1,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,865</u>
Total liabilities	<u>2,578</u>	<u>-</u>	<u>21,010</u>	<u>299</u>	<u>2,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,931</u>
NET ASSETS									
Invested in capital assets, net of related debt	27,992	-	-	633	(364)	-	-	10	28,271
Restricted for debt service	235	-	-	-	-	-	-	-	235
Restricted for replacement	10,335	-	-	-	-	-	-	-	10,335
Restricted for improvement	-	-	-	-	-	-	-	-	-
Unrestricted	3,977	-	(14,582)	(35)	364	-	90	76	(10,110)
Total net assets	<u>\$ 42,539</u>	<u>\$ -</u>	<u>\$ (14,582)</u>	<u>\$ 598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 86</u>	<u>\$ 28,731</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Storm Sewer</u>	<u>Parking</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>	<u>Marina Operations Fund</u>	<u>Erie St Market</u>	<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise</u>
Operating revenues									
Charges for services	\$ 10,207	\$ -	\$ 24	\$ -	\$ 1,638	\$ -	\$ -	\$ -	\$ 11,869
Other revenue	27	1,887	-	-	291	-	197	-	2,402
Total operating revenue	<u>10,234</u>	<u>1,887</u>	<u>24</u>	<u>-</u>	<u>1,929</u>	<u>-</u>	<u>197</u>	<u>-</u>	<u>14,271</u>
Operating expenses									
Personal services	4,002	-	-	18	-	-	-	-	4,020
Contractual services	2,420	311	171	22	613	37	73	14	3,661
Materials and supplies	432	-	-	-	19	86	70	-	607
Utilities	-	-	-	16	2	5	-	-	23
Depreciation	1,151	493	101	45	163	-	-	-	1,953
Total operating expenses	<u>8,005</u>	<u>804</u>	<u>272</u>	<u>101</u>	<u>797</u>	<u>128</u>	<u>143</u>	<u>14</u>	<u>10,264</u>
Operating income (loss)	2,229	1,083	(248)	(101)	1,132	(128)	54	(14)	4,007
Nonoperating revenues (expenses)									
Investment earnings	129	-	378	-	-	-	-	-	507
Intergovernmental grants	247	-	-	-	-	-	-	-	247
Interest expense and fiscal charges	-	-	(1,194)	-	(98)	-	-	-	(1,292)
Gain (loss) on sale of capital assets	237	(6,899)	(233)	-	-	-	-	-	(6,895)
Total nonoperating revenues (expenses)	<u>613</u>	<u>(6,899)</u>	<u>(1,049)</u>	<u>-</u>	<u>(98)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,433)</u>
Income (loss) before transfers	2,842	(5,816)	(1,297)	(101)	1,034	(128)	54	(14)	(3,426)
Transfers in	-	-	-	-	-	158	-	100	258
Transfers out	(175)	(9,332)	-	-	(845)	-	-	-	(10,352)
Change in net assets	2,667	(15,148)	(1,297)	(101)	189	30	54	86	(13,520)
Net assets at beginning of year	39,872	15,148	(13,285)	699	(189)	(30)	36	-	42,251
Net assets at end of year	<u>\$ 42,539</u>	<u>\$ -</u>	<u>\$ (14,582)</u>	<u>\$ 598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 86</u>	<u>\$ 28,731</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Non Major Enterprise Funds
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	Storm Sewer	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	\$ 12,701	\$ 38	\$ 378	\$ -	\$ 841	\$ 60	\$ 5	\$ -	\$ 14,023
Cash paid to employees	(1,226)	(2,513)	-	(19)	-	-	-	-	(3,758)
Cash paid to suppliers	(336)	(645)	(1,493)	(74)	(187)	(218)	(196)	(100)	(3,249)
Other receipts	1,846	-	-	94	283	-	192	-	2,415
Net cash provided by (used by) operating activities	<u>12,985</u>	<u>(3,120)</u>	<u>(1,115)</u>	<u>1</u>	<u>937</u>	<u>(158)</u>	<u>1</u>	<u>(100)</u>	<u>9,431</u>
Noncapital financial activities:									
Transfers in	-	-	-	-	-	158	-	100	258
Transfers out	(175)	(9,332)	-	-	(845)	-	-	-	(10,352)
Net cash provided by (used by) noncapital financing activities	<u>(175)</u>	<u>(9,332)</u>	<u>-</u>	<u>-</u>	<u>(845)</u>	<u>158</u>	<u>-</u>	<u>100</u>	<u>(10,094)</u>
Capital and related financing activities:									
Proceeds from capital grants	247	-	-	-	-	-	-	-	247
Proceeds from the sales of assets	-	12,452	1,915	-	-	-	-	-	14,367
Purchases of property, plant and equipment	(4,310)	-	-	(1)	4	-	-	-	(4,307)
Principal payments	(7,753)	-	-	-	-	-	-	-	(7,753)
Refunding bond issued	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds, loans and notes	-	-	-	-	-	-	-	-	-
Payment on refunded bonds	-	-	-	-	-	-	-	-	-
Interest and fiscal charges paid on bonds, loans and notes	-	-	(1,171)	-	(96)	-	-	-	(1,267)
Net cash provided by (used by) capital and related financing activities	<u>(11,816)</u>	<u>12,452</u>	<u>744</u>	<u>(1)</u>	<u>(92)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287</u>
Investing activities:									
Proceeds from sales and maturities of investments	(21,806)	-	(635)	-	-	-	-	-	(22,441)
Purchase of investments	20,655	-	622	-	-	-	-	-	21,277
Investment income received on investments	130	-	381	-	-	-	-	-	511
Net cash provided by (used by) investing activities	<u>(1,021)</u>	<u>-</u>	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(653)</u>
Increase (decrease) in cash and cash equivalents	(27)	-	(3)	-	-	-	1	-	(29)
Cash and cash equivalents at beginning of year	57	-	3	-	-	-	-	-	60
Cash and cash equivalents at end of year	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 31</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:									
Operating income (loss)	\$ 2,229	\$ 1,083	\$ (248)	\$ (101)	\$ 1,132	\$ (128)	\$ 54	\$ (14)	\$ 4,007
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:									
Depreciation	1,151	493	101	45	163	-	-	-	1,953
Increase (decrease) in allowance for doubtful accounts	-	-	-	-	-	-	-	-	-
Changes in assets and liabilities:									
Receivables	290	6	1,695	141	12	9	1	-	2,154
Due to (from) other:									
Funds	1,883	(203)	(618)	(50)	139	62	28	46	1,287
Governments	13	-	-	-	-	-	-	-	13
Prepaid expenses	-	-	-	-	-	-	-	-	-
Inventory of supplies	-	-	-	-	-	-	-	-	-
Accounts payable	7,119	(4,456)	(2,030)	(12)	(509)	(101)	(77)	(132)	(198)
Customer deposits	1	(43)	-	-	-	-	(5)	-	(47)
Retainage	38	-	-	-	-	-	-	-	38
Deferred and other liabilities	-	-	(15)	(23)	-	-	-	-	(38)
Accrued wages and benefits	72	-	-	1	-	-	-	-	73
Compensated absences payable	189	-	-	-	-	-	-	-	189
Net cash provided by (used by) operating activities	<u>\$ 12,985</u>	<u>\$ (3,120)</u>	<u>\$ (1,115)</u>	<u>\$ 1</u>	<u>\$ 937</u>	<u>\$ (158)</u>	<u>\$ 1</u>	<u>\$ (100)</u>	<u>\$ 9,431</u>

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, 2011
(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:								
Restricted investments	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Receivables (net of allowance)	149	-	2	-	2	28	21	202
Due from other:								
Funds	-	14,472	107	511	4,852	296	20,121	40,359
Prepaid items	-	-	-	104	-	-	-	104
Inventory of supplies	987	-	-	-	-	-	-	987
Total current assets	<u>1,136</u>	<u>14,487</u>	<u>109</u>	<u>615</u>	<u>4,854</u>	<u>324</u>	<u>20,142</u>	<u>41,667</u>
Noncurrent assets:								
Deferred charges and other	-	-	-	-	-	-	-	-
Capital assets:								
Land and construction in progress	350	-	-	-	-	-	-	350
Other capital assets, net of accumulated depreciation	14,198	1,987	-	-	4	156	1	16,346
Total noncurrent assets	<u>14,548</u>	<u>1,987</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>156</u>	<u>1</u>	<u>16,696</u>
Total assets	<u>15,684</u>	<u>16,474</u>	<u>109</u>	<u>615</u>	<u>4,858</u>	<u>480</u>	<u>20,143</u>	<u>58,363</u>
LIABILITIES								
Current liabilities:								
Accounts payable	451	-	51	-	29	114	7	652
Due to other:								
Funds	505	-	-	-	-	-	-	505
Other current liabilities	-	-	-	-	1,560	-	20,083	21,643
Accrued wages and benefits	180	-	2	60	4	59	7	312
Current portion of:								
Bonds, loans and notes payable, net	-	1,465	-	-	-	-	-	1,465
Total current liabilities	<u>1,136</u>	<u>1,465</u>	<u>53</u>	<u>60</u>	<u>1,593</u>	<u>173</u>	<u>20,097</u>	<u>24,577</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>1,136</u>	<u>1,465</u>	<u>53</u>	<u>60</u>	<u>1,593</u>	<u>173</u>	<u>20,097</u>	<u>24,577</u>
NET ASSETS								
Invested in capital assets, net of related debt	14,548	522	-	-	4	156	1	15,231
Restricted for debt service	-	-	-	-	-	-	-	-
Restricted for replacement	-	2,000	-	-	-	-	-	2,000
Restricted for improvement	-	-	-	-	-	-	-	-
Unrestricted	-	12,487	56	555	3,261	151	45	16,555
Total net assets	<u>\$ 14,548</u>	<u>\$ 15,009</u>	<u>\$ 56</u>	<u>\$ 555</u>	<u>\$ 3,265</u>	<u>\$ 307</u>	<u>\$ 46</u>	<u>\$ 33,786</u>

City of Toledo, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Assets

Internal Service Funds

For the Year Ended December 31, 2011

(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	\$ 12,827	\$ -	\$ 567	\$ 3,362	\$ 1,421	\$ 3,408	\$ 6,849	\$ 28,434
Other revenue	98	-	1	1	-	2	61	163
Total operating revenue	<u>12,925</u>	<u>-</u>	<u>568</u>	<u>3,363</u>	<u>1,421</u>	<u>3,410</u>	<u>6,910</u>	<u>28,597</u>
Operating expenses								
Personal services	4,430	-	61	1,058	92	1,577	194	7,412
Contractual services	1,275	-	202	936	952	1,445	4,279	9,089
Materials and supplies	6,575	-	249	119	-	336	7	7,286
Utilities	15	-	-	1,250	-	44	-	1,309
Depreciation	3,241	273	-	-	1	8	4	3,527
Total operating expenses	<u>15,536</u>	<u>273</u>	<u>512</u>	<u>3,363</u>	<u>1,045</u>	<u>3,410</u>	<u>4,484</u>	<u>28,623</u>
Operating income (loss)	(2,611)	(273)	56	-	376	-	2,426	(26)
Nonoperating revenues (expenses)								
Interest expense and fiscal charges	-	(49)	-	-	-	-	-	(49)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49)</u>
Income (loss) before transfers	(2,611)	(322)	56	-	376	-	2,426	(75)
Transfers out	-	-	-	-	-	-	(2,448)	(2,448)
Change in net assets	<u>(2,611)</u>	<u>(322)</u>	<u>56</u>	<u>-</u>	<u>376</u>	<u>-</u>	<u>(22)</u>	<u>(2,523)</u>
Net assets at beginning of year	17,159	15,331	-	555	2,889	307	68	36,309
Net assets at end of year	<u>\$ 14,548</u>	<u>\$ 15,009</u>	<u>\$ 56</u>	<u>\$ 555</u>	<u>\$ 3,265</u>	<u>\$ 307</u>	<u>\$ 46</u>	<u>\$ 33,786</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Enterprise Funds
For the Year Ended December 31, 2011
(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	\$ 12,818	\$ 2,483	\$ 515	\$ 3,362	\$ 1,419	\$ 2,798	\$ 5,028	\$ 28,423
Cash paid to employees	(3,869)	-	(54)	(1,231)	(210)	(1,101)	-	(6,465)
Cash paid to suppliers	(9,029)	(55)	(462)	(2,132)	(1,209)	(1,675)	(2,641)	(17,203)
Other receipts	98	-	1	1	-	2	61	163
Net cash provided by (used by) operating activities	18	2,428	-	-	-	24	2,448	4,918
Noncapital financial activities:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,448)	(2,448)
Net cash provided by (used by) noncapital financing activities	-	-	-	-	-	-	(2,448)	(2,448)
Capital and related financing activities:								
Proceeds from capital grants and contributions	-	-	-	-	-	-	-	-
Proceeds from the sales of assets	-	-	-	-	-	-	-	-
Purchases of property, plant and equipment	(18)	(1,019)	-	-	-	(24)	-	(1,061)
Proceeds from the issuance of bonds, loans, and notes	-	(2,825)	-	-	-	-	-	(2,825)
Refunding bond issued	-	-	-	-	-	-	-	-
Principal payments on bonds and loans	-	1,465	-	-	-	-	-	1,465
Payment on refunded bonds	-	-	-	-	-	-	-	-
Interest and fiscal charges paid on bonds, loans and notes	-	(49)	-	-	-	-	-	(49)
Net cash provided by (used by) capital and related financing activities	(18)	(2,428)	-	-	-	(24)	-	(2,470)
Investing activities:								
Proceeds from sales and maturities of investments	-	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	-
Investment income received on investments	-	-	-	-	-	-	-	-
Net cash provided by (used by) investing activities	-	-	-	-	-	-	-	-
Increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities:								
Operating income (loss)	\$ (2,611)	\$ (273)	\$ 56	\$ -	\$ 376	\$ -	\$ 2,426	\$ (26)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:								
Depreciation	3,241	273	-	-	1	8	4	3,527
Increase (decrease) in allowance for doubtful accounts	(384)	-	-	-	-	-	-	(384)
Changes in assets and liabilities:								
Receivables	375	-	-	-	(2)	(1)	1	373
Due to (from) other:								
Funds	540	-	(5)	(253)	199	28	547	1,056
Governments	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	(104)	-	-	-	(104)
Inventory of supplies	(33)	-	3	-	-	-	-	(30)
Accounts payable	(1,106)	2,428	(54)	358	(574)	(9)	(1,484)	(441)
Customer deposits	-	-	-	-	-	-	-	-
Retainage	-	-	-	-	-	-	-	-
Deferred and other liabilities	-	-	-	-	-	-	262	262
Accrued wages and benefits	(4)	-	-	(1)	-	(2)	692	685
Compensated absences payable	-	-	-	-	-	-	-	-
Net cash provided by (used by) operating activities	\$ 18	\$ 2,428	\$ -	\$ -	\$ -	\$ 24	\$ 2,448	\$ 4,918

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, 2011
 (amounts expressed in thousands)

	Assets					Liabilities			
	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011		Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
General Agency					General Agency				
Receivables	\$ 1,681	\$ 2,859	\$ 2,482	\$ 2,058	Accounts payable	\$ 58	\$ 980	\$ 978	\$ 60
					Customer deposit	1,623	1,441	1,066	1,998
Municipal Court					Municipal Court				
Cash and cash equivalents other	1,099	14	-	1,113	Customer deposit	1,099	14	-	1,113
Total Agency funds					Total Agency funds				
Cash and cash equivalents other	1,099	14	-	1,113	Accounts payable	58	980	978	60
Receivables	1,681	2,859	2,482	2,058	Customer deposit	2,722	1,455	1,066	3,111
	<u>\$ 2,780</u>	<u>\$ 2,873</u>	<u>\$ 2,482</u>	<u>\$ 3,171</u>		<u>\$ 2,780</u>	<u>\$ 2,435</u>	<u>\$ 2,044</u>	<u>\$ 3,171</u>

City of Toledo, Ohio

Special Budgetary Comparison

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2011
(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	\$ 147,987	\$ 147,987	\$ 153,581	\$ 5,594
Property taxes	15,901	15,901	11,845	(4,056)
License and permits	2,609	2,609	2,297	(312)
Intergovernmental services	17,407	17,407	22,743	5,336
Charges for services	26,324	26,749	24,905	(1,844)
Investment earnings	325	325	446	121
Fines and forfeitures	4,526	4,526	4,681	155
Other revenue	1,660	1,238	579	(659)
Total revenues	<u>216,739</u>	<u>216,742</u>	<u>221,077</u>	<u>4,335</u>
Expenditures				
General government				
Accounts				
Personnel services	1,535	1,444	1,290	154
Materials and supplies	9	9	3	6
Contractual services	424	447	294	153
Total accounts	<u>1,968</u>	<u>1,900</u>	<u>1,587</u>	<u>313</u>
Affirmative action				
Personnel services	315	315	316	(1)
Materials and supplies	2	2	1	1
Contractual services	16	17	15	2
Total affirmative action	<u>333</u>	<u>334</u>	<u>332</u>	<u>2</u>
Auditor				
Personnel services	104	104	103	1
Materials and supplies	1	1	-	1
Contractual services	14	14	8	6
Total auditor	<u>119</u>	<u>119</u>	<u>111</u>	<u>8</u>
Board of community relations				
Personnel services	65	63	65	(2)
Materials and supplies	8	10	6	4
Contractual services	9	9	9	-
Total board of community relations	<u>82</u>	<u>82</u>	<u>80</u>	<u>2</u>
City council				
Personnel services	1,170	1,170	1,155	15
Materials and supplies	23	21	15	6
Contractual services	73	75	62	13
Total city council	<u>1,266</u>	<u>1,266</u>	<u>1,232</u>	<u>34</u>
Facility operations				
Contractual services	421	421	475	(54)
Total facility operations	<u>421</u>	<u>421</u>	<u>475</u>	<u>(54)</u>
Finance administration				
Personnel services	207	197	189	8
Materials and supplies	3	8	6	2
Contractual services	170	108	64	44
Total finance administration	<u>380</u>	<u>313</u>	<u>259</u>	<u>54</u>
Finance ERP				
Personnel services	442	242	136	106
Contractual services	-	200	195	5
Total finance ERP	<u>442</u>	<u>442</u>	<u>331</u>	<u>111</u>
Financial analysis				
Personnel services	482	453	424	29
Materials and supplies	6	4	-	4

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Contractual services	107	68	15	53
Total financial analysis	595	525	439	86
General fund utility				
Contractual services	1,937	2,042	1,116	926
Total general fund utility	1,937	2,042	1,116	926
General non-department services				
Personnel services	(2,706)	(2,706)	(322)	(2,384)
Materials and supplies	(85)	(85)	-	(85)
Contractual services	1,587	1,587	2,743	(1,156)
Total general non-department services	(1,204)	(1,204)	2,421	(3,625)
Human resources				
Personnel services	1,003	1,003	943	60
Materials and supplies	29	30	21	9
Contractual services	332	331	268	63
Total human resources	1,364	1,364	1,232	132
Law				
Personnel services	1,988	1,966	1,966	-
Materials and supplies	34	36	25	11
Contractual services	307	323	210	113
Total law	2,329	2,325	2,201	124
Natural resources administration				
Personnel services	27	27	15	12
Contractual services	81	86	82	4
Total natural resources administration	108	113	97	16
Office of mayor				
Personnel services	547	547	562	(15)
Materials and supplies	34	34	25	9
Contractual services	139	137	131	6
Total office of mayor	720	718	718	-
Purchasing and supplies				
Personnel services	361	361	337	24
Materials and supplies	2	2	2	-
Contractual services	17	17	12	5
Total purchasing and supplies	380	380	351	29
Safety administration				
Personnel services	122	122	121	1
Contractual services	124	124	35	89
Total safety administration	246	246	156	90
Streets, bridges and harbor				
Personnel services	36	36	35	1
Contractual services	1	1	-	1
Total streets, bridges and harbor	37	37	35	2
Taxation				
Personnel services	1,572	1,562	1,504	58
Materials and supplies	183	197	114	83
Contractual services	306	292	265	27
Total taxation	2,061	2,051	1,883	168
Treasury				
Personnel services	310	310	315	(5)
Materials and supplies	35	32	20	12
Contractual services	43	47	46	1
Total treasury	388	389	381	8
Total general government	13,972	13,863	15,437	(1,574)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Public service				
General fund utilities				
Contractual services	1,526	1,421	1,369	52
Total general fund utilities	1,526	1,421	1,369	52
Parks and forestry				
Personnel services	73	61	53	8
Materials and supplies	3	3	2	1
Contractual services	178	244	269	(25)
Total parks and forestry	254	308	324	(16)
Total public services	1,780	1,729	1,693	36
Public safety				
Clerk of municipal court				
Personnel services	5,085	5,085	5,079	6
Materials and supplies	382	382	375	7
Contractual services	217	249	365	(116)
Total clerk of municipal court	5,684	5,716	5,819	(103)
Fire				
Personnel services	60,603	60,597	62,301	(1,704)
Materials and supplies	574	602	602	-
Contractual services	2,554	2,703	3,209	(506)
Total fire	63,731	63,902	66,112	(2,210)
General non-department services				
Contractual services	101	101	101	-
Total general non-department services	101	101	101	-
Law				
Personnel services	490	489	488	1
Contractual services	22	24	24	-
Total law	512	513	512	1
Municipal court judge				
Personnel services	5,292	5,276	5,240	36
Materials and supplies	115	129	129	-
Contractual services	1,979	2,092	2,212	(120)
Total municipal court judge	7,386	7,497	7,581	(84)
Police				
Personnel services	67,245	67,245	68,858	(1,613)
Materials and supplies	1,236	1,424	1,452	(28)
Contractual services	3,932	3,743	3,904	(161)
Total police	72,413	72,412	74,214	(1,802)
Safety administration				
Contractual services	11,446	11,446	11,496	(50)
Total safety administration	11,446	11,446	11,496	(50)
Total public safety	161,273	161,587	165,835	(4,248)
Community environment				
Building inspection				
Personnel services	1,828	1,900	1,900	-
Materials and supplies	19	17	15	2
Contractual services	240	231	216	15
Total building inspection	2,087	2,148	2,131	17
Code enforcement				
Personnel services	394	404	418	(14)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Contractual services	446	686	202	484
Total code enforcement	840	1,090	620	470
Economic development				
Personnel services	49	49	25	24
Materials and supplies	3	3	3	-
Contractual services	736	670	650	20
Total economic development	788	722	678	44
Engineering services				
Personnel services	106	106	57	49
Materials and supplies	4	3	1	2
Contractual services	10	12	10	2
Total engineering services	120	121	68	53
General fund utilities				
Contractual services	265	265	230	35
Total general fund utilities	265	265	230	35
Housing division				
Personnel services	59	59	59	-
Materials and supplies	39	37	37	-
Contractual services	(2)	-	-	-
Total housing division	96	96	96	-
Planning commission				
Personnel services	299	380	381	(1)
Materials and supplies	5	9	8	1
Contractual services	29	31	30	1
Total planning commission	333	420	419	1
Real estate				
Contractual services	52	52	25	27
Total real estate	52	52	25	27
Streets, bridges and harbor				
Personnel services	-	-	(234)	234
Materials and supplies	-	-	4	(4)
Contractual services	(4)	(4)	369	(373)
Total streets, bridges and harbor	(4)	(4)	139	(143)
Waste disposal				
Contractual services	78	81	-	81
Total waste disposal	78	81	-	81
Total community environment	4,655	4,991	4,406	585
Health				
Environmental service				
Personnel services	154	156	144	12
Contractual services	1	1	1	-
Total environmental service	155	157	145	12
Municipal court judge				
Personnel services	374	324	321	3
Contractual services	2	2	3	(1)
Total municipal court judge	376	326	324	2
Parks and forestry				
Personnel services	256	198	196	2
Materials and supplies	13	10	12	(2)
Contractual services	150	154	155	(1)
Total parks and forestry	419	362	363	(1)
Refuse collection				

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Personnel services	3,082	3,082	3,267	(185)
Materials and supplies	54	53	7	46
Contractual services	1,436	5,246	4,553	693
Total refuse collection	4,572	8,381	7,827	554
Waste disposal				
Personnel services	746	746	814	(68)
Materials and supplies	55	47	35	12
Contractual services	2,597	2,653	2,464	189
Total waste disposal	3,398	3,446	3,313	133
Total health	8,920	12,672	11,972	700
Parks and recreation				
Natural resources administration				
Contractual services	19	19	16	3
Total natural resources administration	19	19	16	3
Parks and forestry				
Personnel services	243	196	127	69
Materials and supplies	53	49	44	5
Contractual services	607	610	946	(336)
Total parks and forestry	903	855	1,117	(262)
Recreation				
Personnel services	416	416	474	(58)
Materials and supplies	52	60	49	11
Contractual services	473	596	640	(44)
Total recreation	941	1,072	1,163	(91)
Total parks and recreation	1,863	1,946	2,296	(350)
Capital outlay	5	193	128	65
Debt services				
Principal retirement	1,560	1,560	485	1,075
Interest and fiscal charges	1,174	1,174	241	933
Total expenditures	195,202	199,715	202,493	(2,778)
Excess (deficiency) of revenues over expenditures	21,537	17,027	18,584	1,557
Other financing sources (uses):				
Transfers in	13,224	13,706	17,327	3,621
Transfers out	(33,322)	(33,322)	(34,026)	(704)
Sale of fixed assets	4,850	4,850	12,129	7,279
Total other financing sources (uses):	(15,248)	(14,766)	(4,570)	10,196
Net change in fund balance	\$ 6,289	\$ 2,261	14,014	\$ 11,753
Fund balance (deficit) at beginning of year			(13,712)	
Increase (decrease) in reserve for inventory			24	
Fund balance (deficit) at year end			\$ 326	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
Capital Improvements
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental services	\$ 5,496	\$ 5,496	\$ 5,650	\$ 154
Charges for services	986	986	638	(348)
Investment earnings	307	307	339	32
Grants and subsidies	-	16,762	11,745	(5,017)
Other revenue	-	1	83	82
Total revenues	6,789	23,552	18,455	(5,097)
Expenditures				
General government				
Affirmative action				
Personnel services	400	400	-	400
Total affirmative action	400	400	-	400
Debt management				
Contractual services	100	102	-	102
Materials and supplies	700	700	-	700
Personnel services	600	604	-	604
Total debt management	1,400	1,406	-	1,406
Facilities operations				
Capital outlay	-	4	-	4
Contractual services	2,500	2,965	-	2,965
Total facilities operations	2,500	2,969	-	2,969
Information and communication				
Personnel services	800	802	-	802
Total information and communication	800	802	-	802
Office of mayor				
Personnel services	535	540	-	540
Total office of mayor	535	540	-	540
Total general government	5,635	6,117	-	6,117
Community environment				
Neighborhoods administration				
Contractual services	-	146	-	146
Total community environment	-	146	-	146
Health				
Office of mayor				
Contractual services	-	1,390	-	1,390
Total office of mayor	-	1,390	-	1,390
Total Health	-	1,390	-	1,390
Capital outlay	5,830	29,938	20,148	9,790
Debt service				
Principal retirement	3,523	5,328	5,272	56
Interest and fiscal charges	5,335	5,334	2,331	3,003
Total expenditures	20,323	48,253	27,751	20,502
Excess (deficiency) of revenues over expenditures	(13,534)	(24,701)	(9,296)	15,405

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Governmental Funds
 Capital Improvements
 For the Year Ended December 31, 2011
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	32,497	32,497	35,086	2,589
Transfers out	(24,768)	(25,118)	(30,711)	(5,593)
Capital lease proceeds	-	-	231	231
Issuance of debt	-	763	1,664	901
Premium (discount) on bond	-	-	55	55
Sale of fixed assets	-	-	-	-
Total other financing sources (uses):	<u>7,729</u>	<u>8,142</u>	<u>6,325</u>	<u>(1,817)</u>
Net change in fund balance	<u>\$ (5,805)</u>	<u>\$ (16,559)</u>	(2,971)	<u>\$ 13,588</u>
Fund balance (deficit) at beginning of year			38,722	
Increase (decrease) in reserve for inventory			(73)	
Fund balance (deficit) at year end			<u>\$ 35,678</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Special assessments	\$ 25,688	\$ 25,688	\$ 25,242	\$ (446)
Charges for services	89	89	579	490
Investment earnings	48	48	10	(38)
Other revenue	1	1	-	(1)
Total revenues	<u>25,826</u>	<u>25,826</u>	<u>25,831</u>	<u>5</u>
Expenditures				
General government				
Debt management				
Personnel services	45	45	37	8
Total debt management	<u>45</u>	<u>45</u>	<u>37</u>	<u>8</u>
Human resources				
Personnel services	9	9	10	(1)
Total human resources	<u>9</u>	<u>9</u>	<u>10</u>	<u>(1)</u>
Office of the mayor				
Personnel services	12	12	13	(1)
Total office of the mayor	<u>12</u>	<u>12</u>	<u>13</u>	<u>(1)</u>
Street, bridges and harbor				
Contractual services	1	1	35	(34)
Personnel services	121	121	199	(78)
Total street bridges and harbor	<u>122</u>	<u>122</u>	<u>234</u>	<u>(112)</u>
Total general government	<u>188</u>	<u>188</u>	<u>294</u>	<u>(106)</u>
Public service				
Engineering services				
Contractual services	96	96	28	68
Materials and supplies	9	9	1	8
Personnel services	176	176	126	50
Total engineering services	<u>281</u>	<u>281</u>	<u>155</u>	<u>126</u>
General fund utility				
Contractual services	3,238	3,238	2,894	344
Total general fund utility	<u>3,238</u>	<u>3,238</u>	<u>2,894</u>	<u>344</u>
Law				
Personnel services	51	51	-	51
Total law	<u>51</u>	<u>51</u>	<u>-</u>	<u>51</u>
Natural resources administration				
Contractual services	28	28	15	13
Personnel services	27	27	15	12
Total natural resources administration	<u>55</u>	<u>55</u>	<u>30</u>	<u>25</u>
Office of the mayor				
Personnel services	-	-	1	(1)
Total office of the mayor	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Parks and forestry				
Contractual services	3,244	3,166	2,296	870
Materials and supplies	89	164	100	64
Personnel services	3,858	3,858	3,979	(121)
Total parks and forestry	<u>7,191</u>	<u>7,188</u>	<u>6,375</u>	<u>813</u>
Street, bridges and harbor				
Capital outlay	131	107	12	95
Materials and supplies	1,801	2,354	2,299	55
Contractual services	8,320	7,791	4,837	2,954
Personnel services	6,841	6,914	6,925	(11)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Total street bridges and harbor	17,093	17,166	14,073	3,093
Treasury				
Capital outlay	21	21	-	21
Contractual services	451	451	322	129
Debt and other	553	553	537	16
Materials and supplies	3	3	-	3
Personnel services	146	146	84	62
Total treasury	1,174	1,174	943	231
Water distribution				
Contractual services	1	1	1	-
Personnel services	280	280	152	128
Total water distribution	281	281	153	128
Total public service	29,364	29,434	24,624	4,810
Public utilities				
Street, bridges and harbor				
Personnel services	-	-	4	(4)
Total street bridges and harbor	-	-	4	(4)
Total public utilities	-	-	4	(4)
Health				
Parks and forestry				
Contractual services	585	585	255	330
Materials and supplies	28	28	22	6
Personnel services	188	188	160	28
Total parks and forestry	801	801	437	364
Total health	801	801	437	364
Parks and recreation				
Parks and forestry				
Contractual services	92	92	48	44
Materials and supplies	13	13	5	8
Personnel services	32	32	71	(39)
Total parks and forestry	137	137	124	13
Total parks and recreation	137	137	124	13
Capital outlay	152	131	15	116
Debt service				
Interest and fiscal charges	1,897	1,897	1,751	146
Total expenditures	32,539	32,588	27,249	5,339
Net change in fund balances	<u>\$ (6,713)</u>	<u>\$ (6,762)</u>	(1,418)	<u>\$ 5,344</u>
Fund balance at beginning of year			(49,544)	
Increase (decrease) in reserve for inventory			(369)	
Fund balance at end of year			<u>\$ (51,331)</u>	

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 9	\$ 9
Grants	-	10,827	13,064	2,237
Other revenue	-	498	2,646	2,148
Total revenues	-	11,325	15,719	4,394
Expenditures				
Community environment				
Code enforcement				
Personnel services	-	1,773	886	887
Materials and supplies	-	56	19	37
Contractual services	-	1,611	551	1,060
Debt and other	-	49	4	45
Total code enforcement	-	3,489	1,460	2,029
Economic development				
Personnel services	-	863	401	462
Materials and supplies	-	4	-	4
Contractual services	-	95	29	66
Debt and other	-	921	738	183
Total economic development	-	1,883	1,168	715
Housing division				
Personnel services	-	2,161	1,443	718
Materials and supplies	-	207	140	67
Contractual services	-	2,666	775	1,891
Debt and other	-	5,062	4,061	1,001
Total housing division	-	10,096	6,419	3,677
Law				
Personnel services	-	91	53	38
Total law	-	91	53	38
Municipal court judge				
Debt and other	-	141	68	73
Total municipal court judge	-	141	68	73
Neighborhoods administration				
Personnel services	-	2,171	1,017	1,154
Materials and supplies	-	99	13	86
Contractual services	-	1,504	863	641
Total neighborhoods administration	-	3,774	1,893	1,881
Nuisance abatement				
Materials and supplies	-	-	26	(26)
Debt and other	-	690	674	16
Total nuisance abatement	-	690	700	(10)
Office of Mayor				
Personnel services	-	19	19	-
Total office of mayor	-	19	19	-
Planning commission				
Personnel services	-	200	169	31
Total planning commission	-	200	169	31
Real estate				
Personnel services	-	200	145	55
Contractual services	-	49	1	48
Total real estate	-	249	146	103
Total community environment	-	20,632	12,095	8,537

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, 2011
(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>		
Capital outlay	-	5	-	5
Debt service:				
Principal retirement	-	225	125	100
Interest and fiscal charges	-	55	22	33
Total expenditures	<u>-</u>	<u>20,917</u>	<u>12,242</u>	<u>8,675</u>
Excess (deficiency) of revenues over expenditures	-	(9,592)	3,477	13,069
Other financing sources (uses):				
Transfers in	-	78	-	(78)
Transfers out	-	(48)	(7)	41
Issuance of debt	-	-	-	-
Premium (discount) on bond	-	-	-	-
Sale of fixed assets	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>30</u>	<u>(7)</u>	<u>(37)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,562)</u>	3,470	<u>\$ 13,032</u>
Fund balance (deficit) at beginning of year			(3,620)	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ (150)</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, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ -	\$ -	\$ 43	\$ 43
Fines and forfeitures	-	-	101	101
Grants	18,068	18,068	18,280	212
Other revenue	10	10	10	-
Total revenues	<u>18,078</u>	<u>18,078</u>	<u>18,434</u>	<u>356</u>
Expenditures				
Public safety				
Fire				
Personnel services	72	72	57	15
Materials and supplies	217	217	4	213
Contractual services	405	405	252	153
Total fire	<u>694</u>	<u>694</u>	<u>313</u>	<u>381</u>
Information & communication				
Contractual services	99	99	99	-
Total information & communication	<u>99</u>	<u>99</u>	<u>99</u>	<u>-</u>
Law				
Personnel services	308	308	183	125
Total law	<u>308</u>	<u>308</u>	<u>183</u>	<u>125</u>
Municipal court judge				
Personnel services	249	249	163	86
Materials and supplies	-	-	2	(2)
Contractual services	367	367	178	189
Total municipal court judge	<u>616</u>	<u>616</u>	<u>343</u>	<u>273</u>
Police				
Personnel services	8,130	8,130	3,642	4,488
Materials and supplies	16	16	17	(1)
Contractual services	218	218	136	82
Total police	<u>8,364</u>	<u>8,364</u>	<u>3,795</u>	<u>4,569</u>
Total public safety	<u>10,081</u>	<u>10,081</u>	<u>4,733</u>	<u>5,348</u>
Community environment				
Affirmative action				
Personnel services	16	16	16	-
Total affirmative action	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>
Building inspection				
Materials and supplies	4	4	2	2
Contractual services	5	5	1	4
Total building inspection	<u>9</u>	<u>9</u>	<u>3</u>	<u>6</u>
Code enforcement				
Personnel services	32	32	32	-
Contractual services	659	659	523	136
Capital outlay	199	199	199	-
Total code enforcement	<u>890</u>	<u>890</u>	<u>754</u>	<u>136</u>
Economic development				
Contractual services	(50)	(50)	-	(50)
Debt and other	74	74	54	20
Total economic development	<u>24</u>	<u>24</u>	<u>54</u>	<u>(30)</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, 2011
 (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>		
Housing division				
Personnel services	149	149	149	-
Materials and supplies	7	7	7	-
Contractual services	33	33	18	15
Debt and other	4,683	4,683	3,386	1,297
Total housing division	4,872	4,872	3,560	1,312
Neighborhoods administration				
Personnel services	118	118	90	28
Materials and supplies	-	-	46	(46)
Contractual services	683	683	-	683
Debt and other	10,306	10,306	145	10,161
Total neighborhoods administration	11,107	11,107	281	10,826
Planning commission				
Personnel services	278	278	259	19
Materials and supplies	9	9	3	6
Contractual services	30	30	19	11
Total planning commission	317	317	281	36
Police				
Materials and supplies	30	30	30	-
Total police	30	30	30	-
Total community environment	17,265	17,265	4,979	12,286
Health				
Environmental services				
Personnel services	1,389	1,389	956	433
Materials and supplies	138	138	110	28
Contractual services	7,309	7,309	3,314	3,995
Capital outlay	76	76	-	76
Debt and other	725	725	185	540
Total environmental services	9,637	9,637	4,565	5,072
Total health	9,637	9,637	4,565	5,072
Parks and recreation				
Parks & forestry				
Personnel services	(1)	(1)	(1)	-
Contractual services	200	200	200	-
Total parks & forestry	199	199	199	-
Recreation				
Materials and supplies	7	7	7	-
Contractual services	3	3	3	-
Total recreation	10	10	10	-
Total parks and recreation	209	209	209	-
Capital outlay	199	199	199	-
Total expenditures	37,391	37,391	14,685	22,706

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, 2011
 (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>		
Excess (deficiency) of revenues over expenditures	(19,313)	(19,313)	3,749	23,062
Other financing sources (uses):				
Transfers in	-	78	-	(78)
Transfers out	-	(48)	(7)	41
Issuance of debt	-	-	-	-
Premium (discount) on bond	-	-	-	-
Sale of fixed assets	-	-	-	-
Total Other financing sources (uses):	<u>-</u>	<u>30</u>	<u>(7)</u>	<u>(37)</u>
Net change in fund balance	<u>\$ (19,313)</u>	<u>\$ (19,283)</u>	3,742	<u>\$ 23,025</u>
Fund balance (deficit) at beginning of year			5,622	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 9,364</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, 2011
(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				
Licenses and permits	\$ 75	\$ 75	\$ 5	\$ (70)
Intergovernmental services	12,754	12,754	11,978	(776)
Charges for services	7	7	6	(1)
Fines and forfeitures	1	1	2	1
Other revenue	5	5	80	75
Total revenues	<u>12,842</u>	<u>12,842</u>	<u>12,071</u>	<u>(771)</u>
Expenditures				
General government				
Human resources				
Personnel services	18	18	17	1
Total human resources	<u>18</u>	<u>18</u>	<u>17</u>	<u>1</u>
Street, bridges and harbor				
Personnel services	119	119	169	(50)
Total street, bridges and harbor	<u>119</u>	<u>119</u>	<u>169</u>	<u>(50)</u>
Total general government	<u>137</u>	<u>137</u>	<u>186</u>	<u>(49)</u>
Public service				
Engineering services				
Personnel services	738	738	674	64
Materials and supplies	25	27	6	21
Contractual services	365	329	287	42
Total engineering service	<u>1,128</u>	<u>1,094</u>	<u>967</u>	<u>127</u>
General fund utilities				
Contractual services	257	257	288	(31)
Total general fund utilities	<u>257</u>	<u>257</u>	<u>288</u>	<u>(31)</u>
Street, bridges and harbor				
Personnel services	3,010	3,011	2,798	213
Materials and supplies	725	701	623	78
Contractual services	2,718	2,743	1,207	1,536
Total street, bridges and harbor	<u>6,453</u>	<u>6,455</u>	<u>4,628</u>	<u>1,827</u>
Transportation				
Personnel services	3,005	3,005	2,787	218
Materials and supplies	495	586	467	119
Contractual services	1,777	1,715	1,145	570
Total transportation	<u>5,277</u>	<u>5,306</u>	<u>4,399</u>	<u>907</u>
Total public services	<u>13,115</u>	<u>13,112</u>	<u>10,282</u>	<u>2,830</u>
Public safety				
Police				
Personnel services	112	112	75	37
Materials and supplies	3	3	-	3
Contractual services	12	12	5	7
Total police	<u>127</u>	<u>127</u>	<u>80</u>	<u>47</u>
Total public safety	<u>127</u>	<u>127</u>	<u>80</u>	<u>47</u>
Public utilities				
Engineering services				
Contractual services	-	-	3	(3)
Total engineering services	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</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, 2011
(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>		
Total public utilities	-	-	3	(3)
Community environment				
Building inspection				
Personnel services	11	11	13	(2)
Total building inspection	11	11	13	(2)
Total community environment	11	11	13	(2)
Health				
Parks and forestry				
Contractual services	10	10	-	10
Total parks and forestry	10	10	-	10
Total health	10	10	-	10
Capital outlay	41	38	-	38
Total expenditures	13,441	13,435	10,564	2,871
Excess (deficiency) of revenues over expenditures	(599)	(593)	1,507	2,100
Other financing sources (uses):				
Transfers in	230	230	-	(230)
Transfers out	(1,564)	(1,564)	(1,339)	225
Issuance of debt	-	-	-	-
Premium (discount) on bond	-	-	-	-
Sale of fixed assets	-	-	-	-
Total other financing sources (uses):	(1,334)	(1,334)	(1,339)	(5)
Net change in fund balance	<u>\$ (1,933)</u>	<u>\$ (1,927)</u>	168	<u>\$ 2,095</u>
Fund balance (deficit) at beginning of year			8,082	
Increase (decrease) in reserve for inventory			(100)	
Fund balance (deficit) at year end			<u>\$ 8,150</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, 2011
 (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				
Investment earnings	\$ 5	\$ 5	\$ 9	\$ 4
Total revenues	<u>5</u>	<u>5</u>	<u>9</u>	<u>4</u>
Expenditures				
Health				
Parks and forestry				
Materials and supplies	5	5	1	4
Contractual services	<u>18</u>	<u>18</u>	<u>-</u>	<u>18</u>
Total parks and forestry	<u>23</u>	<u>23</u>	<u>1</u>	<u>22</u>
Total health	<u>23</u>	<u>23</u>	<u>1</u>	<u>22</u>
Total expenditures	<u>23</u>	<u>23</u>	<u>1</u>	<u>22</u>
Net change in fund balance	<u>\$ (18)</u>	<u>\$ (18)</u>	8	<u>\$ 26</u>
Fund balance (deficit) at beginning of year			49	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 57</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, 2011
(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				
Charges for services	\$ 246	\$ 246	\$ 246	\$ -
Total revenues	<u>246</u>	<u>246</u>	<u>246</u>	<u>-</u>
Expenditures				
	-	-	-	-
Excess (deficiency) of revenues over expenditures	246	246	246	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(246)	(246)	(246)	-
Issuance of debt	-	-	-	-
Premium (discount) on bond	-	-	-	-
Sale of fixed assets	-	-	-	-
Total other financing sources (uses):	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance (deficit) at beginning of year			199	
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, 2011

(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				
Other revenue	\$ 25	\$ 25	\$ 25	-
Total revenues	<u>25</u>	<u>25</u>	<u>25</u>	<u>-</u>
Expenditures	-	-	-	-
Net change in fund balance	<u>\$ 25</u>	<u>\$ 25</u>	25	<u>\$ -</u>
Fund balance (deficit) at beginning of year			288	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 313</u>	

City of Toledo, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Special Revenue Funds
 Cemeteries Properties Acquisition Development
 For the Year Ended December 31, 2011
 (amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 24	\$ 24	\$ 47	\$ 23
Total revenues	24	24	47	23
Expenditures				
Health				
Parks and forestry				
Materials and supplies	2	2	-	2
Contractual services	1	1	-	1
Total parks and forestry	3	3	-	3
Total health	3	3	-	3
Total expenditures	3	3	-	3
Net change in fund balance	\$ 21	\$ 21	47	\$ 26
Fund balance (deficit) at beginning of year			247	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			\$ 294	

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, 2011
 (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				
Charges for services	\$ 70	\$ 70	\$ 72	\$ 2
Total revenues	<u>70</u>	<u>70</u>	<u>72</u>	<u>2</u>
Expenditures				
Parks and recreation				
Recreation				
Materials and supplies	5	5	-	5
Contractual services	<u>52</u>	<u>52</u>	<u>33</u>	<u>19</u>
Total parks and forestry	<u>57</u>	<u>57</u>	<u>33</u>	<u>24</u>
Total parks and recreation	<u>57</u>	<u>57</u>	<u>33</u>	<u>24</u>
Total expenditures	<u>57</u>	<u>57</u>	<u>33</u>	<u>24</u>
Net change in fund balance	<u>\$ 13</u>	<u>\$ 13</u>	39	<u>\$ 26</u>
Fund balance (deficit) at beginning of year			42	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 81</u>	

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Funds
Expendable Trust
For the Year Ended December 31, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
License and permits	\$ -	\$ -	\$ 1	\$ 1
Charges for services	-	551	1,443	892
Investment earnings	-	-	7	7
Fines and forfeitures	-	967	1,045	78
Grants and subsidies	-	19	19	-
Other revenue	-	1,113	1,208	95
Total revenues	-	2,650	3,723	1,073
Expenditures				
General government				
Treasury				
Debt and other	-	84	6	78
Total treasury	-	84	6	78
Total general government	-	84	6	78
Public safety				
Clerk of municipal court				
Contractual services	-	40	-	40
Total clerk of municipal court	-	40	-	40
Fire				
Material and supplies	-	37	37	-
Total fire	-	37	37	-
Law				
Contractual services	-	(6)	91	(97)
Total Law	-	(6)	91	(97)
Municipal court judge				
Personnel services	-	248	233	15
Materials and supplies	-	268	260	8
Contractual services	-	289	221	68
Debt and other	-	(23)	-	(23)
Total municipal court judge	-	782	714	68
Police				
Materials and supplies	-	100	110	(10)
Contractual services	-	20	20	-
Debt and other	-	506	300	206
Total police	-	626	430	196
Total public safety	-	1,479	1,272	207
Community environment				
Clerk of municipal court				
Contractual services	-	(5)	-	(5)
Total clerk of municipal court	-	(5)	-	(5)
Municipal court judge				
Materials and supplies	-	7	7	-
Contractual services	-	8	8	-
Total municipal court judge	-	15	15	-

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Special Revenue Funds
 Expendable Trust
 For the Year Ended December 31, 2011
 (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>		
Neighborhoods Administration				
Materials and supplies	-	34	32	2
Contractual services	-	4	4	-
Debt and other	-	212	212	-
Total neighborhoods administration	-	250	248	2
Streets, bridges and harbor				
Personnel services	-	-	522	(522)
Materials and supplies	-	-	6	(6)
Contractual services	-	-	801	(801)
Total streets, bridges and harbor	-	-	1,329	(1,329)
Total community environment	-	260	1,592	(1,332)
Health				
Environmental services				
Contractual services	-	21	21	-
Total environmental services	-	21	21	-
Waste disposal				
Debt and other	-	348	348	-
Total waste disposal	-	348	348	-
Total health	-	369	369	-
Parks and recreation				
Natural resources administration				
Materials and supplies	-	9	9	-
Debt and other	-	16	16	-
Total natural resources administration	-	25	25	-
Parks and forestry				
Materials and supplies	-	50	49	1
Contractual services	-	37	37	-
Debt and other	-	3	3	-
Total parks and forestry	-	90	89	1
Recreation				
Debt and other	-	15	15	-
Total recreation	-	15	15	-
Total parks and recreation	-	130	129	1
Capital outlay	-	23	230	(207)
Debt service				
Principal retirement	-	207	752	(545)
Interest and fiscal charges	-	-	12	(12)
Debt issuance costs	-	-	-	-
Total expenditures	-	2,552	4,362	(1,810)
Net change in fund balance	<u>\$ -</u>	<u>\$ 98</u>	(639)	<u>\$ (737)</u>
Fund balance (deficit) at beginning of year			4,101	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 3,462</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, 2011
 (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				
Charges for services	\$ -	\$ -	\$ 8	\$ 8
Investment earnings	-	-	36	36
Total revenues	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	44	44
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(968)	(968)	(968)	-
Issuance of debt	-	-	-	-
Premium (discount) on bond	-	-	-	-
Sale of fixed assets	-	-	-	-
Total other financing sources (uses):	<u>(968)</u>	<u>(968)</u>	<u>(968)</u>	<u>-</u>
Net change in fund balance	<u>\$ (968)</u>	<u>\$ (968)</u>	(924)	<u>\$ 44</u>
Fund balance (deficit) at beginning of year			1,017	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 93</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, 2011

(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				
Grants	\$ -	\$ 3,345	\$ 3,455	\$ 110
Total revenues	-	3,345	3,455	110
Expenditures				
Community environment				
Housing				
Personnel services	-	448	283	165
Materials and supplies	-	30	-	30
Contractual services	-	51	23	28
Debt and other	-	4,328	2,417	1,911
Total housing	-	4,857	2,723	2,134
Total community environment	-	4,857	2,723	2,134
Total expenditures	-	4,857	2,723	2,134
Net change in fund balance	\$ -	\$ (1,512)	732	\$ 2,244
Fund balance (deficit) at beginning of year			(850)	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ (118)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Funds Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service General Obligation
For the Year Ended December 31,2011
(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	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt service:				
Principal retirement	11,484	8,939	11,027	(2,088)
Interest and fiscal charges	6,266	8,811	8,591	220
Total expenditures	<u>17,750</u>	<u>17,750</u>	<u>19,618</u>	<u>(1,868)</u>
Excess (deficiency) of revenues over expenditures	(17,750)	(17,750)	(19,618)	(1,868)
Other financing sources (uses)				
Transfers in	16,146	18,146	27,583	9,437
Transfers out	-	-	-	-
Note proceeds	-	-	-	-
Sales of fixed assets	-	-	-	-
Bond proceeds	-	-	-	-
Premium (discount) on bond	-	-	34	34
Other revenue (expenses)	-	-	-	-
Total other financing sources (uses)	<u>16,146</u>	<u>18,146</u>	<u>27,617</u>	<u>9,471</u>
Net change in fund balance	<u>\$ (1,604)</u>	<u>\$ 396</u>	7,999	<u>\$ 7,603</u>
Fund balance (deficit) at beginning of year			108	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 8,107</u>	

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Nonmajor Governmental Funds
 Debt Service Special Assessment
 For the Year Ended December 31, 2011
 (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				
Special assessments	\$ 63	\$ 63	\$ 63	\$ -
Total revenues	<u>63</u>	<u>63</u>	<u>63</u>	<u>-</u>
Expenditures				
Debt service:				
Principal retirement	25	25	25	-
Interest and fiscal charges	6	6	6	-
Total expenditures	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	32	32	32	-
Net change in fund balance	<u>\$ 32</u>	<u>\$ 32</u>	32	<u>\$ -</u>
Fund balance (deficit) at beginning of year			136	
Increase (decrease) in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ 168</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actuals
Nonmajor Governmental Funds
Capital Projects Fund
For the Year Ended December 31, 2011
(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				
Special assessments	\$ 408	\$ 408	\$ 386	\$ (22)
Total revenues	<u>408</u>	<u>408</u>	<u>386</u>	<u>(22)</u>
Expenditures				
Capital outlay	-	18	18	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	50	50	29	21
Total expenditures	<u>50</u>	<u>68</u>	<u>47</u>	<u>21</u>
Net change in fund balance	<u>\$ 358</u>	<u>\$ 340</u>	339	<u>\$ (1)</u>
Fund balance (deficit) at beginning of year			(1,875)	
Increase in reserve for inventory			-	
Fund balance (deficit) at year end			<u>\$ (1,536)</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 Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Net Assets									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 231,662	\$ 248,832	\$ 243,683	\$ 280,486	\$ 300,779	\$ 329,962	\$ 338,428	\$ 333,510	\$ 343,145	\$ 330,332
Restricted	68,428	59,685	59,138	47,957	50,555	52,822	52,032	83,098	73,630	107,111
Unrestricted	(10,922)	(12,375)	-	-	2,278	-	-	(14,200)	5,002	7,085
Total governmental activities	<u>289,168</u>	<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>	<u>444,528</u>
Business-type activities:										
Invested in capital assets, net of related debt	226,407	254,276	229,170	224,105	253,730	280,940	305,182	327,984	388,160	379,314
Restricted	117,988	164,930	143,156	169,220	95,084	60,000	41,367	36,259	31,760	30,109
Unrestricted	3,405	(62,954)	(8,264)	(12,298)	41,289	53,529	59,097	47,785	6,676	10,251
Total business-type activities	<u>347,800</u>	<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>	<u>419,674</u>
Primary government activities:										
Invested in capital assets, net of related debt	458,069	503,108	472,853	504,591	554,509	610,902	643,610	661,494	731,305	709,646
Restricted	186,416	224,615	202,294	217,177	145,639	112,822	93,399	119,357	105,390	137,220
Unrestricted	(7,517)	(75,329)	(8,264)	(12,298)	43,567	53,529	59,097	33,585	11,678	17,336
Total primary government activities	<u>\$ 636,968</u>	<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>	<u>\$ 864,202</u>

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

	REVENUES									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Government activities										
Charges for services:										
General government	\$ 5,928	\$ 31,181	\$ 23,982	\$ 28,584	\$ 28,338	\$ 30,165	\$ 59,916	\$ 72,777	\$ 46,960	\$ 41,828
Public service	20	30	130	19	-	-	-	-	26,003	25,381
Public safety	3,634	3,501	8,460	9,436	8,524	8,814	9,408	8,103	9,363	12,748
Public utilities	-	-	-	158	-	1,199	-	-	-	-
Community environment	2,539	2,673	5,267	6,727	7,052	6,563	7,464	6,364	5,421	8,044
Health	891	862	1,175	1,377	704	2,632	5,580	5,853	11,184	11,221
Parks and recreation	490	365	474	421	122	101	116	111	200	206
Operating grants	20,655	54,155	51,604	49,406	55,734	65,423	33,081	40,689	12,675	34,731
Capital grants	9,267	16,172	12,236	25,779	25,689	21,082	15,537	18,348	33,739	4,509
Total governmental activities program revenues	<u>43,424</u>	<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>	<u>138,668</u>
Business-type activities:										
Charges for services:										
Water	33,614	32,578	34,258	37,326	34,790	38,627	38,070	35,913	42,487	43,250
Sewer	34,464	35,370	39,919	43,551	44,377	48,901	56,064	54,189	57,354	65,608
Storm utility	7,686	8,315	7,710	8,637	8,132	8,620	9,034	10,069	9,798	10,234
Utilities administration	7,641	8,085	7,829	10,288	7,802	9,676	10,564	8,696	10,071	11,323
Parking	1,317	1,356	1,382	1,435	1,486	1,403	1,509	1,459	1,383	1,887
Property management	1,117	886	277	264	(688)	266	262	208	470	24
Erie Street Market										197
Small business development	62	52	77	38	(2)	-	-	-	177	-
Tow lot	-	-	-	527	2,225	2,315	2,549	1,418	1,911	1,929
Capital grants	-	1,577	-	-	-	-	-	-	5,423	2,709
Total business-type activities revenues	<u>85,901</u>	<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>	<u>137,161</u>
Total primary governmental revenues	<u>\$ 129,325</u>	<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>	<u>\$ 275,829</u>

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

	<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>	<u>2011</u>
Government-type activities										
General government	\$ 27,694	\$ 26,790	\$ 26,721	\$ 25,960	\$ 27,250	\$ 27,059	\$ 28,673	\$ 28,464	\$ 25,421	\$ 21,651
Public service	42,036	45,757	48,204	52,706	52,891	53,562	57,508	56,085	54,469	48,606
Public safety	142,256	148,446	151,217	153,085	158,499	163,334	170,767	157,024	157,436	164,396
Public utilities	1,143	1,085	808	-	46	106	167	139	2	492
Community environment	23,240	19,465	17,918	14,895	20,589	20,230	18,915	19,634	32,543	27,058
Health	16,490	17,347	17,030	17,638	18,207	16,773	19,104	17,569	16,966	18,012
Parks and recreation	7,834	7,488	7,765	7,345	7,563	15,047	7,397	6,933	6,139	5,396
Capital outlay	-	-	9,408	8,973	7,833	10,368	14,731	12,442	12,060	14,332
Debt service	15,679	16,437								
Total governmental activities expenses	<u>276,372</u>	<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>	<u>299,944</u>
Business-type activities										
Water	28,444	28,211	30,356	34,369	34,324	38,388	36,708	36,556	39,138	41,186
Sewer	38,420	36,285	38,334	41,217	44,464	47,329	50,484	49,974	56,888	64,756
Utility administration	8,072	7,958	7,922	8,099	9,898	10,647	10,048	10,185	9,876	10,608
Storm utility	3,576	4,192	6,122	7,018	6,883	6,168	5,331	5,191	4,968	8,005
Property management	1,856	1,787	2,596	2,640	2,010	1,930	5,111	1,949	1,691	1,699
Tow lot	-	-	-	314	1,169	1,087	1,141	1,229	986	895
Parking	1,267	1,204	1,154	1,100	1,040	946	962	934	820	804
Erie Street Market										143
Marina Operation										128
Small business development	50	55	43	47	77	41	42	76	380	101
Toledo Public Power										14
Total business-activities expenses	<u>81,685</u>	<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>	<u>128,339</u>
Total primary government expenses	<u>\$ 358,057</u>	<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>	<u>\$ 428,283</u>

Table 2 (continued)
City of Toledo, Ohio
Changes in Net Assets by Component
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Net Revenue (Expenses)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities	\$ (232,948)	\$ (173,876)	\$ (175,743)	\$ (158,695)	\$ (166,715)	\$ (170,500)	\$ (186,160)	\$ (146,045)	\$ (159,491)	\$ (161,276)
Business-type activities	4,216	8,527	4,925	7,262	(1,743)	3,272	8,225	5,858	14,327	8,822
Total primary governmental expenses	<u>(228,732)</u>	<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>	<u>(152,454)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Income taxes	153,965	155,112	155,243	160,683	164,718	169,689	154,475	138,474	146,886	152,864
Property taxes	30,948	19,794	21,444	20,136	17,330	19,424	18,078	15,518	12,465	12,168
Unrestricted investments earnings	4,654	3,260	2,570	4,153	7,194	8,553	5,582	2,483	1,605	856
Gain on sale of capital assets and Other revenue	62,495	3,204	2,702	273	2,190	2,297	14,469	6,928	4,572	7,036
Transfers	(2,482)	(519)	462	(927)	451	(291)	1,232	655	534	10,244
Total government activities	<u>249,580</u>	<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>	<u>184,027</u>
Business-type activities:										
Unrestricted investments earnings	3,249	2,692	2,248	3,282	6,488	6,460	4,064	899	781	1,092
Gain on sale of capital assets and other revenue grants	1,604	(3,286)	1,102	5,494	4,782	(5,657)	120	280	(6)	-
Transfers	2,482	519	(462)	927	(451)	291	(1,232)	(655)	(534)	(10,244)
Total business-type activities	<u>7,335</u>	<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>	<u>(15,814)</u>
Total primary governmental general revenues and other changes in net assets	<u>256,915</u>	<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>	<u>168,213</u>
Changes in Net Assets										
Governmental activities	16,632	6,975	6,678	25,623	25,168	29,172	7,676	18,013	6,571	22,051
Business-type activities	11,551	8,452	7,813	16,965	9,076	4,366	11,177	6,382	14,568	(6,922)
Total primary governmental net change	<u>\$ 28,183</u>	<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>	<u>\$ 15,129</u>

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

	Fund Balances, Governmental Fund									
	<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>	<u>2011</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697	\$ 712
Restricted	-	-	-	-	-	-	-	-	5,320	5,376
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,741	4,027	4,395	4,358	1,974	5,485	8,187	8,263	-	-
Unassigned	12,067	9,393	4,905	6,413	8,818	7,148	(3,796)	(16,283)	(14,629)	(5,762)
Total general fund	<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>	<u>326</u>
Capital Improvement Fund										
Nonspendable	-	-	-	-	-	-	-	-	856	782
Restricted	-	-	-	-	-	-	-	-	14,487	34,896
Committed	-	-	-	-	-	-	-	-	23,379	-
Assigned	32,403	28,715	64,282	61,353	45,542	37,148	35,289	28,449	-	-
Unassigned	8,929	15,757	(21,267)	(29,617)	(9,615)	(7,385)	(8,220)	18,882	-	-
Total capital improvement fund	<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>	<u>35,678</u>
Special Assessment Services Fund										
Nonspendable	-	-	-	-	-	-	-	-	1,807	1,438
Restricted	-	-	-	-	-	-	-	-	4,977	384
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,019	1,373	2,444	2,304	2,578	2,039	2,784	2,827	-	-
Unassigned	(34,805)	(36,834)	(41,760)	(44,905)	(48,228)	(48,017)	(51,764)	(53,450)	(56,328)	(53,153)
Total special assessment services fund	<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>	<u>(51,331)</u>
Nonmajor Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	-	1,417	623
Restricted	-	-	-	-	-	-	-	-	8,961	18,699
Committed	-	-	-	-	-	-	-	-	13,179	12,542
Assigned	9,132	6,312	7,900	8,389	10,819	7,730	8,868	8,129	-	-
Unassigned, reported in:										
Special revenue funds	7,176	9,907	8,425	8,392	8,065	15,138	14,914	21,355	(7,222)	(268)
Capital projects funds	(1,154)	(1,486)	(1,537)	(1,736)	(1,939)	(2,011)	(2,122)	-	(1,875)	(1,536)
Permanent funds	711	716	708	694	694	694	694	(1,932)	-	(192)
Debt Service	-	-	-	-	-	-	-	-	-	-
Total nonmajor governmental funds	<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>	<u>29,868</u>
Total fund balance governmental funds	<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>	<u>\$ 14,541</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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Income taxes	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581
Property taxes	15,437	15,223	17,206	17,231	17,330	19,424	18,078	13,612	11,936	11,845
Special assessments	19,347	18,273	17,435	20,684	21,788	24,601	24,737	23,965	26,592	25,691
Licenses and permits	1,967	2,145	2,567	3,071	3,012	2,830	2,541	2,103	2,363	2,303
Intergovernmental services	64,883	70,327	63,840	75,186	79,957	78,710	72,285	89,942	76,659	40,371
Charges for services	13,646	13,724	14,088	14,003	15,081	17,364	21,104	21,516	24,347	27,987
Investment earnings	4,654	3,259	2,570	4,153	7,194	8,553	5,582	2,483	1,605	856
Fines and forfeitures	3,636	4,087	5,281	6,080	6,094	6,339	7,268	5,971	5,648	5,829
Grants	-	-	-	-	-	-	-	-	-	46,563
Other revenue	2,953	3,476	2,773	2,882	1,475	3,325	2,521	8,653	4,277	5,101
Total revenues	280,488	285,626	281,003	303,973	316,649	330,835	308,591	309,799	298,008	320,127
Expenditures:										
General government	20,823	19,074	18,079	16,908	18,160	17,589	19,007	18,024	15,844	15,923
Public services	27,682	30,261	30,930	34,235	34,216	33,788	37,589	35,432	34,834	36,599
Public safety	144,112	143,350	146,536	150,182	158,575	164,128	170,803	155,040	159,374	171,920
Public utilities	1,149	1,043	774	39	38	102	154	115	2	7
Community environment	22,329	18,062	16,469	13,432	19,281	18,926	18,078	18,017	31,079	25,808
Health	16,030	16,240	15,960	16,600	17,403	17,915	18,199	16,473	13,727	17,344
Parks and recreation	5,009	4,729	4,342	3,736	3,876	3,466	3,490	2,742	2,660	2,791
Capital outlay	34,574	42,319	42,163	67,895	61,690	57,883	49,179	50,835	44,303	20,738
Debt service:										
Principal	15,546	16,291	15,256	16,920	18,465	17,248	16,633	18,903	25,396	17,686
Interest and debt issuance costs	13,896	9,312	8,871	8,946	10,111	10,368	10,596	9,620	11,913	12,983
Total expenditures	301,150	300,681	299,380	328,893	341,815	341,413	343,728	325,201	339,132	321,799
Excess of revenues over (under) expenditures	(20,662)	(15,055)	(18,377)	(24,920)	(25,166)	(10,578)	(35,137)	(15,402)	(41,124)	(1,672)
Other financing sources (uses):										
Transfers in	63,008	57,087	53,573	55,015	52,718	55,673	47,280	53,893	63,947	79,996
Transfers out	(54,089)	(54,487)	(53,286)	(56,799)	(52,852)	(56,709)	(46,989)	(65,903)	(63,414)	(67,304)
Issuance of debt	10,432	9,285	8,052	13,613	27,551	10,923	20,528	34,277	19,933	1,664
Premium (discount) on bond	3,478	7	129	138	672	114	482	3,763	171	89
Capital lease proceeds										231
Sale of capital assets	109	91	46	135	43	11	26	746	101	12,129
Total other financing sources (uses)	22,938	11,983	8,514	12,102	28,132	10,012	21,327	26,776	20,738	26,805
Net change in fund balance	\$ 2,276	\$ (3,072)	\$ (9,863)	\$ (12,818)	\$ 2,966	\$ (566)	\$ (13,810)	\$ 11,374	\$ (20,386)	\$ 25,133
Debt services as a percentage of noncapital expenditures	11.0%	9.9%	9.4%	9.9%	10.2%	9.7%	9.2%	10.4%	12.7%	10.2%

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>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>	<u>2011</u>
Income taxes	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581
Property taxes	15,437	15,223	17,206	17,231	17,330	19,424	18,078	13,612	11,936	11,845
Special assessments	19,347	18,273	17,435	20,684	21,788	24,601	24,737	23,965	26,592	25,691
Licenses and permits	1,967	2,145	2,567	3,071	3,012	2,830	2,541	2,103	2,363	2,303
Intergovernmental services	64,883	70,327	63,840	75,186	79,957	78,710	72,285	89,942	76,659	40,371
Charges for services	13,646	13,724	14,088	14,003	15,081	17,364	21,104	21,516	24,347	27,987
Investment earnings	4,654	3,259	2,570	4,153	7,194	8,553	5,582	2,483	1,605	856
Fines and forfeitures	3,636	4,087	5,281	6,080	6,094	6,339	7,268	5,971	5,648	5,829
Other revenue	2,953	3,476	2,773	2,882	1,475	3,325	2,521	8,653	4,277	5,101
Total	<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>	<u>\$ 273,564</u>

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

	<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>	<u>2011</u>
Withholding	\$ 133,689	\$ 136,187	\$ 134,709	\$ 138,043	\$ 139,805	\$ 141,583	\$ 132,948	\$ 122,927	\$ 124,108	\$ 130,175
Utility	1,003	193	237	492	783	1,863	1,542	891	589	321
Business	13,046	13,122	14,120	15,747	17,443	19,331	14,353	11,872	13,051	15,148
Individuals	6,227	5,610	6,177	6,401	6,687	6,912	5,632	5,864	6,833	7,937
Total	<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>	<u>\$ 153,581</u>

Source: Lucas County Auditor.

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	\$ 3,629,878	\$ 10,371,080	\$ 123,218	\$ 492,972	-	-	\$ 3,753,096	\$ 10,860,952	34.6%
2010	3,687,359	10,535,314	118,417	338,334	-	-	3,805,776	10,873,648	35.0%
2009	3,741,678	10,690,509	112,681	450,724	8,483	1,022,045	3,862,842	12,163,278	31.8%
2008	4,171,406	11,918,303	107,551	430,204	18,638	1,242,206	4,297,595	13,590,713	31.6%
2007	4,197,056	11,991,589	155,080	620,320	239,911	959,644	4,592,047	13,571,553	33.8%
2006	4,315,322	12,329,491	154,646	618,584	343,264	1,373,056	4,813,232	14,321,131	33.6%
2005	3,772,059	10,777,311	155,248	620,992	442,309	1,769,236	4,369,616	13,167,539	33.2%
2004	3,789,811	10,828,031	165,221	660,884	468,208	1,872,832	4,423,240	13,361,747	33.1%
2003	3,752,847	10,722,242	171,574	686,296	487,172	1,948,688	4,411,593	13,357,226	33.0%
2002	3,280,308	9,372,309	199,143	796,572	530,490	2,210,375	4,009,941	12,379,256	32.4%

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

Source: Lucas County Auditor.

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

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

Source: Lucas County Auditor.

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

	<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>	<u>2011</u>
Nonprofit	\$ 9,918	\$ 10,258	\$ 10,178	\$ 10,159	\$ 10,013	\$ 10,040	\$ 14,174	\$ 14,825	\$ 14,092	\$ 13,405
Hospital	10,696	11,174	11,303	11,847	12,196	12,302	9,077	13,484	12,494	13,159
Manufacturing	24,303	23,881	23,613	23,595	22,702	20,101	15,934	11,706	15,211	16,576
Government	9,661	9,796	9,548	9,987	10,219	10,497	10,723	10,276	10,107	10,078
Services	9,539	9,546	9,491	10,259	10,408	14,672	10,984	8,140	6,872	9,960
Retail	1,522	1,712	1,749	1,598	1,750	1,027	943	1,375	1,184	1,266
Banking	1,444	1,493	1,345	1,300	1,263	1,207	1,009	907	911	969
Grocery	1,307	1,247	1,229	1,332	1,349	1,404	1,442	766	751	732
Transportation	464	480	360	773	328	356	367	563	348	385
Technology	-	-	-	-	-	-	1,447	411	356	343
Construction	-	505	336	228	413	225	-	-	-	-
Total	<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>	<u>\$ 66,873</u>

Source: Lucas County Auditor.

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
2011	\$ 16,781	\$ 14,835	88.4%	\$ 1,128	\$ 15,963	95.1%
2010	16,975	14,800	87.2%	1,094	15,894	93.6%
2009	18,806	16,703	88.8%	1,084	17,787	94.6%
2008	19,180	16,574	86.4%	1,326	17,900	93.3%
2007	19,693	17,782	90.3%	1,232	19,014	96.6%
2006	17,305	15,889	91.8%	986	16,875	97.5%
2005	16,954	16,702	98.5%	100	16,802	99.1%
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%

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 & Notes	Assessed Services	General Fund Capital Projects Loans & Leases	Water Revenue Bonds	Sanitary Sewer Revenue Bonds	General Obligation Bonds	Capital Projects Loans	Other Loans & Leases			
2011	\$ 114,944	\$ 39,960	\$ 48,014	\$ 67,442	\$ 28,515	\$ 21,003	\$ 244,119	\$ 11,085	\$ 575,082	4.0%	\$ 1,408
2010	130,166	41,060	52,716	72,909	30,932	23,449	216,342	16,866	584,440	4.0%	1,406
2009	136,623	41,200	53,432	75,850	33,682	21,685	220,330	10,138	592,940	4.1%	1,399
2008	120,809	40,300	50,898	79,962	36,231	22,755	212,184	11,270	574,409	4.0%	1,383
2007	116,016	38,800	52,966	87,010	39,134	23,783	206,259	12,381	576,349	3.9%	1,359
2006	111,066	37,700	56,008	91,888	42,035	24,593	178,356	13,119	554,765	3.9%	1,256
2005	112,803	36,500	53,608	96,433	44,710	25,683	104,364	13,760	487,861	3.5%	1,087
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

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
2011	287,208	\$ 3,753,096	\$ 135,965	\$ -	\$ 135,965	3.6%	\$ 473
2010	287,208	3,805,777	143,832	(190)	143,642	3.8%	500.13
2009	313,619	3,862,842	152,563	(118)	152,445	3.9%	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	4,009,941	127,805	(215)	127,590	3.2%	407

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, 2011
(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	\$ 153,815	100.0%	\$ 153,815
Total direct debt	<u>153,815</u>		<u>153,815</u>
Subdivision overlapping debt: **			
Toledo City School District	161,900	98.9%	160,119
Lucas County	123,946	47.8%	59,246
Sylvania City School District	93,665	7.8%	7,306
Maumee City School District	33,230	11.4%	3,788
Springfield Local School District	12,615	9.5%	1,198
Sylvania Area Joint Recreation Dist	10,745	7.8%	838
Ottawa Hills Local School District	2,320	0.1%	2
Total subdivision overlapping debt	<u>438,421</u>		<u>232,497</u>
Total Direct and Overlapping Debt	<u>\$ 592,236</u>		<u>\$ 386,312</u>

* **Source:** Lucas County Auditor.

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

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

	<u>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>	<u>2011</u>
Debt limit	\$ 421,044	\$ 463,217	\$ 464,440	\$ 458,810	\$ 505,389	\$ 482,165	\$ 451,247	\$ 405,598	\$ 399,607	\$ 394,075
Total net debt applicable to limit	<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>	<u>138,879</u>
Legal debt margin	<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>	<u>\$ 255,196</u>
Total net debt applicable to limit as a percentage of legal debt margin	43.67%	37.68%	37.64%	38.89%	33.45%	37.63%	43.55%	60.29%	56.23%	54.40%

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		
2011	\$ 43,211	\$ 32,599	\$ 10,612	\$ 5,660	\$ 2,688	\$ 8,348	1.3
2010	42,199	32,851	9,348	5,215	3,125	8,340	1.1
2009	35,913	32,285	3,628	5,240	3,628	8,868	0.4
2008	38,070	27,072	10,998	5,015	3,835	8,850	1.2
2007	41,713	29,016	12,697	4,715	4,494	9,209	1.4
2006	38,811	26,002	12,809	4,545	4,464	9,009	1.4
2005	39,875	27,524	12,351	5,565	3,174	8,739	1.4
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

Sewer Revenue Bonds							
2011	\$ 65,271	\$ 38,020	\$ 27,251	\$ 2,503	\$ 1,166	\$ 3,669	7.4
2010	57,010	49,084	7,926	2,360	1,361	3,721	2.1
2009	54,189	38,812	15,377	3,140	1,590	4,730	3.3
2008	56,064	31,317	24,747	3,015	1,721	4,736	5.2
2007	52,289	31,367	20,922	2,790	6,381	9,171	2.3
2006	51,253	29,633	21,620	2,675	5,409	8,084	2.7
2005	47,366	27,338	20,028	7,540	4,589	12,129	1.7
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	2.2
2002	35,703	24,970	10,733	2,824	1,894	4,718	2.3

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)					
2011	287,208	\$ 15,104,299	\$ 35,208	35.7	30,000	9.7%
2010	287,208	14,498,105	35,147	33.8	25,000	10.3%
2009	313,619	14,327,871	34,123	35.1	26,400	12.4%
2008	313,619	14,525,628	34,578	35.1	26,500	8.9%
2007	313,619	14,686,439	34,839	35.3	26,600	7.3%
2006	313,619	14,304,000	32,200	35.3	29,070	6.8%
2005	313,619	13,890,020	31,045	35.3	29,850	7.3%
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%

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 Nine Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Promedica Health Systems	10,174	1	3.54%	10,000	1	3.19%
Mercy Health Partners	6,185	2	2.15%	5,000	4	1.59%
The University of Toledo and Medical Center	6,000	3	2.09%	7,377	2	2.35%
Bowling Green State University	5,957	4	2.07%	2,119		0.68%
Lucas County	3,700	5	1.29%	5,000	4	1.59%
Toledo City School District	3,644	6	1.27%	4,510	5	1.44%
The City of Toledo	2,679	7	0.93%	2,895		0.92%
The Kroger Company	2,632	8	0.92%	2,983		0.95%
Chrysler LLC	2,470	9	0.86%	4,100	7	1.31%
Sauder Woodworking Co.	2,320	10	0.81%	6,432	3	2.05%
The Andersons	1,793		0.62%	3,600	9	1.15%
Seaway Foodtown, Inc.	-		0.00%	4,300	6	1.37%
General Motors Corp./GM Powertrain Division	1,635		0.57%	4,092	8	1.30%
Medical College of Ohio (a)	-		0.00%	3,500	10	1.12%
Total	49,189		17.13%	65,908		21.02%

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

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

<u>Major Service Area</u>	<u>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>	<u>2011</u>
Public safety	1,378	1,361	1,350	1,323	1,345	1,326	1,270	1,191	1,152	1,160
Public utilities	541	561	560	582	587	597	578	575	564	563
Public service	447	445	431	447	447	436	430	427	377	381
General government	348	347	342	336	342	350	343	327	423	428
Community environment	96	94	90	88	86	85	84	81	79	82
Parks and recreation	95	98	93	74	76	81	75	64	63	65
Total	<u>2,905</u>	<u>2,906</u>	<u>2,866</u>	<u>2,850</u>	<u>2,883</u>	<u>2,875</u>	<u>2,780</u>	<u>2,665</u>	<u>2,658</u>	<u>2,679</u>

Source: City of Toledo payroll office

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

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Building permits	6,461	6,281	6,200	6,314	6,492	5,537	5,055	4,260	4,984	4,996
Value of permits (in thousands)	92,457	144,184	176,421	295,067	276,746	146,514	196,578	138,153	168,415	2,084
Total board-ups	337	423	465	586	931	664	710	704	748	774
Total demolitions	306	214	237	222	285	312	300	300	325	412
Police										
Traffic citations	42,160	43,869	48,790	48,504	52,331	60,786	55,694	21,966	23,895	41,990
Red light cameras	10,418	13,509	17,305	25,186	18,512	24,104	18,142	19,681	20,008	27,166
Number of offenses	27,204	26,777	25,283	27,776	26,534	23,826	22,738	36,433	35,568	13,194
911 call volume	463,697	436,151	440,649	433,415	430,523	406,101	392,969	389,112	389,112	438,287
Non-emergency calls	107,772	103,289	101,838	108,961	114,065	111,755	101,882	87,412	87,412	91,373
Fire										
Emergency runs	39,535	38,461	38,393	39,796	38,630	41,135	40,003	42,639	41,154	47,112
Fire runs	8,262	7,534	7,397	7,175	7,550	7,533	10,346	6,812	6,958	7,274
Total runs	47,797	45,995	45,790	46,971	46,180	48,668	50,349	49,451	48,112	54,386
Other public works										
Traffic signs manufactured/installed	0	0	21,925	25,653	26,936	32,508	31,491	29,879	29,879	29,879
Energy reduction (traffic signals)	0	0.2%	7.5%	10.3%	13.1%	17.1%	17.8%	17.9%	17.9%	17.9%
Traffic signals replaced	111	38	59	79	81	122	458	386	324	358
Traffic signal calls	0	0	5,221	7,069	6,823	6,731	6,125	5,867	5,648	5,612
Energy										
Electric customers - Toledo Edison Company	316,000	303,000	303,000	303,000	307,000	307,000	310,000	310,000	305,000	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	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	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	6,000,000
Water										
New connections	2,030	1,765	1,721	1,404	791	584	622	618	725	715
Water main breaks	469	435	281	447	203	448	333	306	315	300
Average daily consumption (millions of gallons)	81.8	78.4	78.8	86.9	80.8	80.7	76.6	76.6	75.8	78
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	710
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	3,357,675

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.

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

Function/ Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of stations	3	3	3	3	3	3	2	2	3	3
Number of substations	3	3	3	3	3	3	3	2	1	2
Number of employees with arrest power	693	693	686	673	688	667	637	583	566	578
Number of neighborhood offices	7	7	7	7	7	7	7	3	4	4
Fire Division										
Number of stations	17	17	17	17	17	17	17	17	17	18
Number of firefighters	526	526	510	498	525	484	478	462	482	489
Other public works										
Streets (in miles)	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,123	1,123
Rail (in miles)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Toledo Lucas County Public Library										
Branches	18	18	18	18	18	18	18	18	18	20
Medical										
Number of hospitals	4	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	1,673	1,681
Parks & recreation										
Acreage	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,368
Number of parks	144	144	145	145	145	145	145	145	145	145
Public pools	12	12	12	12	12	12	12	12	12	12
Golf courses	16	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	1,165	1,165
Storage capacity (in millions of gallons)	78	78	78	78	78	78	78	78	78	78
Plant capacity (in millions of gallons)	150	150	150	150	150	150	150	150	150	150
Wastewater										
Sanitary sewers (in miles)	951	951	960	960	960	960	960	960	960	960
Treatment capacity (in millions of gallons)	102	102	102	102	102	102	102	102	102	102

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.



Dave Yost • Auditor of State

CITY OF TOLEDO

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 8, 2012